United States Court of Appeals

for the Second Circuit

APPENDIX

74-1157 ORIGINAL

B
P/S

In The

United States Court of Appeals

For The Second Circuit

WILLIAM R. VAN GEMERT, ALBERT A. HENNING, EDWARD E. HOUCHINS, NATHAN PEARLMAN, ELIAS A. CHARIOTT, CHARLES K. DAVIS, ANDREAL HOLDING CORP., SAMUEL A. WEISS, IRWIN L. ISERT, JACK KIRSCHNER, CHARLES FRIEDMAN, H.MICHAEL ALBERS, ABRAHAM STERN, EDWARD KEMPLER, SIMEON A. SCHLOSS, JR., MARY JANE SCHLOSS SILVERMAN, SIMEON A. SCHLOSS, JR., and MARY JANE SILVERMAN, Trustees under the Last Will and Testament of Floretta Schloss Wile, DAVID M. BOTSFORD, MRS. SAMUEL LEMLER, LOUIS DAVIS, MRS. LEONARD C. DILL, JR., JOSEPH SCHLAGMAN, NATALIE K. WIGLER, ANN LOUISE DIAMOND, SAMUEL CHARDAVOYNE, WILLIAM M. JONES, MR. & MRS. H. DIENEMAN, MILTON HART, MARY LEVIN, FRANCES DAVIS, E. JULIAN DAVIS, ROBERT LEMLICH, ARTHUR FRISCH, MARIAN S. MITCHELL, VINCENTE J. BONNARD, HAROLD M. WHITE and MARGARET C.WHITE, MORRIS BERNSTEIN, WALTER L. EATON, ERNEST G. ANGEVINE, ABRAHAM PERCHICK, COMMITTEE FOR THE ESTATE OF MAX SCHNEIDER, an incompetent, FRANCIS H. SHOOBE, and ALBERT A. ARDITTI, GERTRUDE McNAUGHT, MRS. J. H. STEIN, JOAN S. BERMAN, J. DAVID STEIN, SARAH E. MORITZ, VIRGINIA W. STAUB, LOUIS BERGLAS, DR. JACK DIENER, DENNIS J. FINN, BERTHA J. WINER, JOANNE W. FINN and S. EDWARD MITTLER, for and in

(Continued)

UNITED STATES COURT OF APPEALS
FILED
SEP 6 1974
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

behalf of themselves and for all other holders of the BOEING COMPANY 4-½% Convertible Subordinated Debentures, due July 1, 1980 who are similarly situated,

Plaintiffs-Appellants,

vs.

THE BOEING COMPANY (formerly BOEING AIRPLANE COMPANY), [redacted] CLAIRMONT L. EGTVEDT, WILLIAM M. ALLEN, EDWARD C. WELLS, JAMES E. PRINCE, LOWELL P. MICKELWAIT, W.L. CAMPBELL, ARTEMUS L. GATES, CRAWFORD H. GREENEWALT, WILLIAM G. REED, D.E. SKINNER, THOMAS R. WILCOX, JOHN O. YEASTING and GEORGE H. WEYERHAEUSER,

Defendants-Appellees.

On Appeal from Judgment of the United States District Court for the Southern District of New York.

APPELLANTS' APPENDIX

Volume I, pp. 1a - 300a

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1a

CIVIL DOCKET

UNITED STATES DISTRICT COURT 6-27-69-Action referred to Judge Ryan for all purposes;

TD WITH 67-1053 FOR ALL PURPOSES--Rule 2 RYAN, J. Jury demand date: 1-18-67 (Pltffs')

Form No. 106 Rev.

Filed: 12/28/73

TITLE OF CASE	ATTORNEYS
[illegible]	For plaintiff: [illegible]
[illegible]	James I. McClintock (deft. Marian S. Mitchell) c/o Mendel Lurie 500 Fifth Ave., NYC (10-17-66) Moses & Singer (for Vincente J. Bonnard) 11 Broadway, NYC David Goldstein (for Edward A. Page's) 132 Nassau St, NY NY 10038 (267-6957)
[illegible]	For defendant: 1-3-67 [illegible]

INTERVENING PLTFFS:
JOSEPH M. NEIL & SELMA R. NEIL (9-28-66)

STATISTICAL RECORD	COSTS		DATE	NAME OR RECEIPT NO.	REC.	DISB
5 mailed	Clerk					
6 mailed	Marshal					
s of Action:	Docket fee					
	Witness fees					
on arose at:	Depositions					

DATE	PROCEEDINGS	Date O. Judgment
[illegible]	Filed complaint and issued summons	
July 7-66	Filed summons & ret--Served Boeing Co. 6-24-66--Chase Manhattan Bk.6-27-66--Unable to find Artemus G.Gates--Served Thomas E.Wilcox 6-24-66	
Jul 15-66	Filed stip & order extending deft's time to ans to 8-12-66--Tyler,J.	
July 15-66	Filed [illegible] of deft. Boeing Co.	
July 19-66	Filed pltff's notice to take deposition of the following defts. T.E. Wilcox, Boeing Co. & the Chase Manhattan Bank.	DEPOS
July 20-66	Filed defts. notice of motion for appointment of Rule 2 Judge.	
July 29-66	Filed Memo Endorsed on motion of 7-20-66. After hearing,this motion is denied without prejudice to renewal when the shortage of judicialmanpower in this district is relieved. So ordered, Ryan, Ch.J.	
July 28-66	Filed stip. & order ajourning the time of defts. Boeing Co, Wilcox & Chase Man. depositions to 9-20-66 Palmieri, J.	
Aug.10-66	Filed stip.& order --extending deft (Chase Manhattan Bk) to answer to 9-[illegible]-66-Tenney,J.	
Aug. 15-66	Filed order-ordered that an explanatory note, in the form annexed hereto, be included with the notice to be sent by direct mailing as prescribed in the third ordering paragraph of the order to show cause herein dated 7-21-66 Ryan, Ch. J. M/N	
Aug. 29-66	Filed defts'(Boeing,etano) notice of mailing re: supplemental list of debenture holders	
Sep. 6-66	Filed affdvt. of service on persons in charge (filed in court)	
Sep. 6-66	Filed affdvt. of Robert F. Dolbin (filed in court)	
Sep. 12-66	Filed stip & order extending deft's (Chase Manhattan) time to answer to 10-18-66 --Level,J.	
Sep. 13-66	Filed notice of appearance as for Marian E. Mitchell.	
Sep. 23-66	Filed stip. & order adjourning depositions to 10-20-66-Bryan,J.	
Sep. 27-66	Filed affdvt. of S. Hazard Gillespie	
Sep. 27-66	Filed special appearance by Henry J. Hoff to object to his inclusion in a class represented by pltffs.	
Sep. 27-66	Filed defts'(Boeing & Wilcox) affdvt. & s how cause order to determine action to be maintained as a class action,etc.- before Judge Ryan 9-29-66-Room 129	
Sep. 27-66	Filed memo endorsed on show cause order filed 9-27-66-this application is granted; see opinion filed herewith; submit order--Ryan,J.	
Sep. 27-66	Filed memorandum of pltffs. in support of motion for preliminary injunction	
Sep. 27-66	Filed memorandum of defts. in opposition to motion for preliminary injunction	
Sep. 27-66	Filed pltffs' affdvt. & notice of motion for a preliminary injunction-ret. before Ryan,J.-9-29-66-rm. 129.	
Sep. 27-66	Filed affdvt. of Everett I. Willis	
Sep. 27-66	Filed memo endorsed on pltffs' motion for preliminary injunction filed 9-27-66-Motion denied; So ordered--Ryan,J.-mailed notice.	
Sep. 27-66	Filed affdvt. of S. Hazard Gillespie in opposition	
Sep. 27-66	Filed transcript of record of proceedings of 9-19-66	
Sep. 27-66	Filed Opinion #[illegible]--motion to determine action as a class action is granted and that all the actions pending in this court should be consolidated. Let an appropriate order be submitted granting the relief sought--Ryan,J.	
Sep 28-66	Filed affidavit of Abraham Pomerantz that counsel in the Philadelphia action be permitted to participate in the within proceeding pending the formal transfer of the proceedings from Philadelphia to N.Y.	
Sep. 28-66	Filed memo endorsed--application to participate granted--So Ordered--Ryan, Ch.J	
Sep 28-66	Filed petitioner's notice of motion for leave to appear & to extend time to file pleadings.	
Sep 30-66	Filed memo endorsed--motion to intervene as party pltff is granted--J. Hoff is permitted to appear pro se. Hoff within 30 days designates an atty [illegible]	

(Continued on page 2)

B

Docket Entries

...n Ryan, for all purposed. JUDGE RYAN 1820

...al vs ... Co., et al

...is ochedolidated with 67 Civ. 1053 for all purposes. Ryan.J.

added pty. pltffs. re: order of 10-4-66

Name	State	Amount
Charles K. Davis	Mass.	$1,900
Andreal Holding Corp.	New York	10,000
Samuel A. Weiss	New York	500
Irwin L. Isert	New York	200
Jack Kirschner	New York	400
Charles Friedman	Conn.	500
H. Michael Albers	Penna.	10,000
Abraham Stern	New York	5,000
Edward Kempler	New York	1,400
Simeon A. Schloss, Jr.	No. Car.	500
Mary Jane Schloss Silverman	Penna.	300
Simeon A. Schloss, Jr., and Mary Jane Silverman, Trustees under the Last Will and Testament of Florette Schloss Wile	No. Car.	300
David M. Botsford	Calif.	3,000
Mrs. Samuel Lemler	New York	800
Louis Davis	New York	1,000
Mrs. Leonard C. Dill, Jr.	Penna.	200
Joseph Schlagman	New York	500
Natalie K. Wigler	New York	2,000
Ann Louise Diamond	New York	100
Samuel Chardavoyne	New York	1,100
William M. Jones	Illinois	500
Mr. & Mrs. H. Disneman	Illinois	200
Milton Hart	New Jersey	200
Mary Levin	Pennsylvania	2,500
Frances Davis	Missouri	2,000
E. Julian Davis	Florida	3,700
Robert Lemlich	Ohio	100

DATE	PROCEEDINGS
Sep 2?-66	Filed pltff's notice of motion to consolidate act on of Jack Diener with 66-1820.
Sep 2?-66	Filed memo endorsed--motion to consolidate action transferred from Dist. of Columbia with 66-1820 is granted --R. Gordon & H. Miller --firm of Danzansky & Dickey of Wash., D.C. are permitted to appear as atty for Jack Diener in the consolidated action provided within 30 days they designate an atty with offices in this Dist.--So Ordered--Ryan,J
Sep 2?-66	Filed pltff's affdvt & notice of motion to amend complaint ret 9-6-66.
Sep 2?-66	Filed memo endorsed--no opposition to amending complaint--motion granted-So Ordered--Ryan,J
Sep 2?-66	Filed pltff's affdvt & notice of motion to consolidate ret 9-6-66.
Sep 2?-66	Filed memo endorsed--application for consolidation is granted--settle order on notice; further & additional provisions will be made later Re: proceedings etc So Ordered--Ryan,J
Oct. 4-66	Filed order consolidating this action with 6 other actions for all pretrial proceedings and for trial purposes and the present & former debenture-holders be permitted to intervene and come into this consolidated action as pty. pltffs.- & caption be deemed amended to include their names--Ryan,J.
Oct. 4-66	Filed order that a pretrial conference in each of the consolidated actions shall be held on 10-25-66 at 2:00 p.m. in Room 3001--Ryan,J.
Oct. 11-66	Filed amended complaint
Oct. 17-66	Filed statement of James I. McClintock as counsel
Oct. 17-66	Filed memo endorsed on statement of counsel-The within application of James I. McClintock is granted--said counsel be permitted to appear as an atty. in this & related consolidated action; he has designated Mendel Jurie as the person within this district to receive service of papers on his behal in this action--So ordered--Ryan,J.
Oct. 18-66	Filed notice of appearance for Vincente J. Bonnard
Oct. 18-66	Filed affdvt. & notice of motion of Chase Manhattan Bank to dismiss amended complaint-ret. before Ryan,J.-10-27-66-room 3001
Oct. 18-66	Filed memorandum in support of motion by Chase Manhattan Bank
Oct. 25-66	Filed stip. & order extending time for deft. Chase Manhattan Bank to answer amended complaint to 11-17-66-MacMahon,J.
Oct. 25-66	Before Ryan,J.-pre-trial hearing
Oct. 26-66	Filed pltffs' (Van Gemert) affdvt. & notice of motion to appoint Gen'l counsd ret. before Ryan,J.-
Oct. 26-66	Filed memo endorsed on motion filed 10-26-66-Motion withdrawn without prejudice, Ryan,J.
Oct. 31-66	Filed pre-trial order #1-actions consolidated to bear No. 66-1820-the consolidated amended complaint shall be filed & served on or before 11-21-66-defts' answers or motions as to the consolidated amended complaint shall be filed & served on or before 12-14-66-etc.--Ryan,J.
Nov. 1-66	Filed affdvt. of Everett I. Willis
Nov. 1-66	Filed copy of pre-trial order #1
Nov. 21-66	Filed stip & order extending pltffs' Committee to file a consolidated amended complaint to 11-21-66-Ryan, J.
Nov. 30-66	Filed stip & order extending time of pltffs' to serve a consolidated complaint to 12-5-66-Ryan, J.
Dec. 2-66	Filed stip & order extending pltffs' time to file a consolidated amended complaint to 12-19-66-Ryan, J.
Dec. 12-66	Filed consolidated complaint
Dec. 22-66	Filed affdvt. of Abraham I. Freedman in rebuttal to reply affdvt. of Chase Manhattan Bank
Dec. 29-66	Filed affdvt. of Stuart D. Wechsler
Dec. 29-66	Filed reply affdvt. of Everett I. Willis
Dec. 29-66	Filed affdvt. of S. Hazard Gillespie in opposition to motion for dismissal of amend complaint

cont'd on page 3

DATE	PROCEEDINGS
Dec. 29-66	Filed supplemental affdvt. of Everett L. Willis
Dec. 29-66	Filed transcript of record of proceedings of 10-27-66
Dec. 29-66	Filed memo endorsed on motion of deft. Chase Manhattan Bank filed 10-18-66- The Clerk is directed to enter judgment forthwith dismissing the complaint for lack of jurisdiction against deft. The Chase Manhattan Bank. So ordered-Ryan,J.
Jan. 3-67	Filed Judgment-ordered, adjudged and decreed: that the Count XII of the consolidated complaint be stricken, and that the defendant, The Chase Manhattan Bank have judgment against the plaintiffs dismissing the action as to it.-Ryan, J-Judgment entered-Clerk mailed notice ent 1-3-67
Jan. 11-67	Filed [illegible] of deft's The Boeing Co. Thomas R. Wilcox
Jan. 18-67	Filed pltff's demand for jury trial
Jan. 3-67	Filed pltff's Committee joint list of documents to be produced by deft Boeing.
Jan. 30-67	Filed stip. & order extending defts' time to object to in whole or in part re: jury demand to [illegible] including such time as shall be specified by the court at or as a result of the pretrial hearing ordered to be held in paragraph 11 of pretrial order No. 1 entered 10-31-66--Ryan,J.
Jan. 30-67	Filed stip. & order extending time for pltffs. to serve a joint list of documents to be produced to 1-30-67-on or before 2-20-67 defts. shall produce for inspection so much of pltffs' joint list of documents as to which they have no objection --Ryan,J.
Feb. 20-67	Filed stip & order extending time for deft Boeing to produce for inspection documents indicated to 3-6-67 Mclean, J.
Mar. 20-67	Filed stip & order extending time for deft' Boeing to produce for inspection documents indicated to 3-20-67-all papers in answer to objections shall be served on or before 3-27-67-Metzner, J.
Mar. 29-67	Filed stip & order extending time for deft' Boeing to produce for inspection documents indicated to 4-3-67-all papers in answer to objections shall be served on or before 4-10-67-Bryan, J.
Jul 28-67	Filed transcript of record of proceedings of 9-6-66
July 28-67	Filed transcript of record of proceedings of 9-19-66
July 28-67	Filed transcript of record of proceedings of 9-26-66
July 28-67	Filed transcript of record of proceedings of 10-4-66
July 28-67	Filed transcript of record of proceedings of 10-25-66
July 28-67	Filed transcript of record of proceedings of 10-27-66
Sept 7-67	Filed transcript of record of proceedings of 10-31-66
Jan. 3-68	Filed written interrogs served by pltffs' on defts.
Feb. 1-68	Filed notice of change of firm name of deft's Boeing Co. & T. R. Wilcox attorneys
	Filed Answers of defts the Boeing Co. and Thomas R. Wilcox to written interrogs served by Pltffs on Defts.
Jul 5-68	File appearance of Edward A. Pegels.
Jan. 10-69	Filed notice to take deposition by pltff's of H.W. Haynes--1-23-69 and H.F. Olson--1-28-69.
Apr. 7-69	File notice by pltff's to take deposition of H.W. Hayes & H.F. Olson on 4-9-10-11-69
	Filed [illegible] pltff's affdvt & notice of motion to vacate dismissal in [illegible] consolidate this action with 67 C 1053, ret: [illegible]
	Filed affdvt. of Irving Stolberg re: consolidation.
June 27-69	Filed order that action is hereby referred to Judge Ryan, for all purposes. [illegible]
June 30-69	Filed memo endorsed on pltff's motion filed 6-26-69: I have been designated as [illegible] 2 cases in these actions. The actions present common questions of fact, [illegible] are consolidated. So ordered. Ryan,J.
[illegible]	[illegible] Ct. not that pltff's furnish names & [illegible]

D. C. 110 Rev. Civil Docket Continuation Page #4 RULE 2 JUDGE RY

DATE	PROCEEDINGS
Nov.3-69	Filed pltff's answers to deft's interrogs.
June 5-70	Filed Pltff's motion for an order setting a date for trial of this action.
Aug 6-71	Filed Stipulation & order of statement as to certain facts & what certain witness would testify to if called at trial as indicated-So ordered-Ryan,J.
Feb 16 72	Filed ORDER that on or before 2-18-72 all requests for admission by wither pltffs or defts under R. 36 FRCP shall be served, filed with the Clerk of this Court and delivered to Chambers of Ryan J. On or before 3-3-72 all responses to any requests for admission shall be served, filed with the Clerk of this Court and delivered to Ryan J. On or before 3-15-72 pltffs shall serve their brief or briefs, file copies with the Clerk of this Court and deliver copies to Ryan J. On or before 5-1-72 defts will serve & file wit Clerk & deliver to Ryan J. certain affdvs, briefs etc. and on or before 5-1-72 the pltffs shall serve, file with Clerk & deliver to Ryan J. Lists, briefs as indicated. After the Court has had an opportunity to consider the parties' briefs and related papers a date will be fixed for a pre-trial conference. Ryan J. m/n
FEB 18 72	Filed Defts' request for admissions pursuant to R. 36 FRCP.
MAR 3 72	Filed Pltffs' admissions pursuant to R. 36 FRCP.
MAR. 3 72	Filed Defts' response to pltffs' request for admissions. (Defts Boeing Co. & Th A Wilcox)
MAR 10 72	Filed Pltffs' motion for an order directing that pltffs' requests for admission are admitted or in the alternative that deft be ordered to serve amended answe or that a hearin be held. Ret. 3-20-72.
Mar 15-72	Filed pltffs' Brief in favor of judgment
4-13-72	Filed Transcript of Record of Proceedings dated 2-4-72.
May 15 72	Filed Defts' statement pursuant to Rule 9 (g).
May 15 72	Filed Defts' List of witnesses and exhibits.
May 15 72	Filed Defts The Boeing Co. and T.R. Wilcox's proposed pre-trial order.
May 15 72	Filed Defts' memorandum prior to trial.
MAY 31-72	Filed Transcript of Record of Proceedings dated 2/4/72.
JUN 19 72	Filed Pltffs' reply supple. trial memorandum.
Nov.8-72	Filed defts' Supplemental Memorandum Prior to Trial.
Nov.15-72	Before; Judge Ryan, Non-Jury Trial Begun
Nov.16-72	Trial Continued
Nov.17-72	Trial "
Nov.20-72	Trial continues and concluded- Decision Reserved. All proposed fin dings and conclusions and memorandum to be submitted by 1-12-73- All replies and responses be submitted by 1-24-73
Jan 12.73	Filed Dfts. Memorandum Re Proposed Fingings of Fact & Conclusions of Law.
Jan 12.73	Filed Dfts. Proposed Findings of Fact & Conclusions of Law.
Jan 12.73	Filed Pltffs. Proposed Findings of Fact.
Jan 26.73	Filed Pltffs. Comments on Dfts. Proposed Findings.
Feb 20.73	Filed Transcript of proceedings dated 11/15/72, 11/16/72, 11/17/72
Feb.20.73	Filed Opinion #49667. The Clerk is directed forthwith to enter judgment for defts. dismissing the complaints in the following 10 actions, 66 Civ. 1820, 66 Civ.22[illegible], 66 Civ 2[illegible], 66 Civ 2640, 66 Civ 2716, 66 Civ 3005, 66 Civ 3054, 66 Civ [illegible], 67 Civ 2[illegible], 67 civ 1033. Ryan J. (mailed notice)
Feb.20.73	Filed Judgment. Ordered that defts. The Boeing Co. et al. have judgment against the pltffs. William R. Van Gemert, et al., dismissing the complaints in the following 10 actions. 66 Civ 1[illegible]6,66 Civ 2054, 66 Civ 23[illegible] 66 Civ 2640,66 Civ 27[illegible]6, 66 Civ 3005, 66 Civ 3054,66 Civ 3303,67 Civ 230, 67 Civ 1033, on the merits with costs to be taxed. Clerk.(mailed notice) Ent. 2/21/73
	[illegible] (mailed notice) Ent. 2/21/73
	[illegible] (mailed notice) Ent. 2/21/73

DATE	PROCEEDINGS
Dec.27.73	Filed Notice of Appeal by Pltffs. from judgment entered 11/29/73 & final judgment entered 11/30/73. (mailed notice)
Dec.28-73	Filed Notice of appeal by plaintiffs from judgment entered 11/30/73. (mailed notic
Dec. 28-73	Filed Notice of appeal by plaintiffs from judgment entered 11/30/73. (mailed Noti
Dec.28-73	Filed bond undertaking for costs on appeal (Bond No. J 8772 227) for the follow: Plaintiffs: Genert, Penning, Houchins, Pearlman and Chariott. ($250.00 Bond.)
Dec.28-73	Filed Bond undertaking for costs on appeal (Bond No. J 8772 228) for the followi plaintiffs: Genert, henning, Houchins, Pearlman and Chariott. ($250.00 Bond.)
Dec.28.73	Filed Bond undertaking for cost on appeal (Bond No. J 8772 229) in favor of The Boeing Co.(formerly Boeing Airplane Co.) et al, in the amount of $250.00.
Jan.7.74	Filed Stip & Order that the Notice of appeal dated 12/28/73 have agreed that Chase Manhattan Bank is not a defd. & was not a party of the judgment appealed from. The Chase Manhattan Bank is deleted from the Notice of appeal, etc. Ryan J.
Jan.7.74	Filed Stip & Order that the Notice of appeal dated 12/28/73 have agreed that Chase Manhattan is not a defd. & was not a party of the judgment appealed from. The Chase Manhattan Bank is deleted from the Notice of appeal, etc. Ryan J.
Jan.7.74	Filed Stip & Order that the Chase Manhattan Bank is not a defd & was not a party to the judgment appealed fm. The Chase Manhattan Bank & its attys are deleted from the notice of appeal etc. Ryan J.
Jan.11.74	Filed Notice of Change of Address for Harold E. Cary, 1237 Lincoln Blvd, [illegible]
1-25-74	Filed Memoradum in support of motion by Defts Boeing & Wilcox for ord determining this action to be maintained as a class action.
1-25-74	Filed Pltfs's memo in support of motion for summary judgment
1-25-74	Filed Pltff's post-trial memo of law with respect to Boeing's violatic Stock Exchange Rules.
1-25-74	Filed Pltff's reply supplemtnal Trial Memo.
1-25-74	Filed Pltff's memo in response to Deft's Post-Trial Papers.
1-25-74	Filed Notice of Motion by Kass, Goodkind, Wechsler & Gerstein.
1-25-74	Filed PltFF's Supplemental Trial Memo
1-25-74	Filed Pltff's Proposed Findings of Fact &Etc.
1-25-74	Filed Pltff's List of Witnesses & Exhibits
1-25-74	Filed Motion to requie answering papers to motion for summary judgmt
1-25-74	Filed Motion for a trial de by pltffs
1-25-74	Filed xxxxxrequest fro admission of facts by Pltffs
1-25-74	Filed Scip. with respect to Pltffs reqests for admission of facts.
1-25-74	Filed Statement of under Rule 9(g) by pltff. Comm.

Clerk

By [illegible] Deputy Clerk

COMPLAINT IN CONSOLIDATED ACTION (Filed June 23, 1966)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - -

Complaint in Consolidated Action

Plaintiffs, for their complaint herein, allege:

1. Jurisdiction is vested in this court by the Securities Exchange Act of 1934 as amended, the Securities Act of 1933 as amended, the Trust Indenture Act of 1939 and the principles of pendent jurisdiction. The jurisdiction of this court also rests upon diversity of citizenship.

2. Plaintiffs, whose names, states of residence and holdings of the debentures to be described are listed on Exhibit "A" hereto annexed, are holders of some of the 4 1/2% Convertible Subordinated Debentures due July 1, 1980 which were issued by Boeing Airplane Company (now The Boeing Company) on or about July 1, 1958. The said securities are hereinafter referred to as "the debentures".

3. Plaintiffs bring this action on behalf of themselves and of all of those holders of the debentures who did not convert the debentures on or before March 29, 1966 and of those who may have succeeded to the rights of such non-converting holders.

4. On information and belief, a) the debenture-holders similarly situated are so numerous as to make joinder of all of them impracticable, b) the questions of law or fact, if any, are common to all of them, c) plaintiffs' claims are typical of the claims of the class and d) plaintiffs will fairly and adequately represent the interests of the class.

5. On information and belief, defendant The Boeing Company (hereinafter referred to as "Boeing") is a corpora-

tion organized and doing business under the laws of the State of Delaware and carries on business from offices which it maintains within this District.

6. On information and belief, at all times hereinafter mentioned, all of the individual defendants (hereinafter referred to as "the directors") were and still are directors of Boeing and were and still are residents of the following States:

Director	State
Clairmont L. Egtvedt	Washington
William M. Allen	Washington
Edward C. Wells	Washington
James E. Prince	Washington
Lowell P. Mickelwait	Washington
W. L. Campbell	Washington
Artemus L. Gates	New York
Crawford H. Greenewalt	Delaware
William G. Reed	Washington
D. E. Skinner	Washington
Thomas R. Wilcox	New York
George H. Weyerhaeuser	Washington
John O. Yeasting	Washington

On information and belief, the said directors knew or should have known of all of the acts, transactions and occurrences hereinafter set forth and participated therein or approved thereof and their liability for the matters hereinafter set forth is predicated on the foregoing facts.

7. On or about July 1, 1958 Boeing entered into an indenture with The Chase Manhattan Bank (hereinafter referred to as "Chase") pursuant to which Chase acted as Trustee for the debenture issue which was in the aggregate principal amount of $30,597,600.

8. The prospectus issued by Boeing in connection with the sale of the debentures stated that the debentures

"may be redeemed" by Boeing prior to maturity "on not less than 30 days' nor more than 90 days' published notice" at varying, specified redemption prices.

9. The debentures (a copy of one of which is annexed hereto as Exhibit "B") provide in part:

> "The holder of this Debenture is entitled, at his option, at any time on or before July 1, 1980, or in case this Debenture shall be called for redemption prior to such date, up to and including but not after the tenth day prior to the redemption date, to convert this Debenture ***, at the principal amount hereof, or such portion hereof, into shares of Capital Stock of the Company, as said shares shall be constituted at the date of conversion, at the conversion rate of two shares of Capital Stock for each $100 principal amount of Debentures, or at the adjusted conversion rate in effect at the date of conversion determined as provided in the Indenture all in accordance with the terms and provisions of the Indenture."

and

> "The Debentures are subject to redemption as a whole or in part, at any time or times, at the option of the Company on not less than 30 nor more than 90 days' prior notice, as provided in the Indenture, at the following redemption prices (expressed in percentages of the principal amount):
> IF REDEEMED DURING THE 12 MONTHS' PERIOD ENDING JULY 1, *** 1966 103 1/4"

10. Article V, Sec. 5.02 of the Trust Indenture reads as follows:

> "In case the Company shall desire to exercise the right to redeem all or any part of the debentures, as the case may be, pursuant to Section 5.01, it shall publish prior to the date fixed for redemption a notice of such redemption at least twice in an Authorized Newspaper, the first such publication to be not less than 30 days and not more than 90 days before the date fixed for redemption. Such publication shall be in successive weeks but on any day of the week."

11. Article 1, Sec. 1.01 of the Indenture defines "Authorized Newspaper" as

> "A newspaper printed in the English language and customarily published at least once a day for at least 5 days in each calendar week and of general circulation in the Borough of Manhattan, City of New York, N.Y., whether or not such newspaper is published on Saturdays, Sundays or legal holidays."

12. On or prior to February 28, 1966, Boeing decided to redeem all of the debentures which remained outstanding.

13. On or about February 28, 1966, Boeing and the directors issued to The New York Times a Press Release, a copy of which is hereto annexed as Exhibit "C" and which read in part as follows:

> "The company's management was also authorized to call for redemption at a future date all of the company's outstanding 4 1/2 per cent convertible subordinated debentures." (Emphasis added).

14. On information and belief, said Press Release was the basis for a news article published in The New York Times on the 2nd day of March, 1966, a copy of which is annexed hereto as Exhibit "D".

15. On or about the 8th day of March, 1966, and the 18th day of March, 1966, Boeing and the directors caused to be published in The Wall Street Journal a purported notice of redemption of the debentures, a copy of which is annexed hereto as Exhibit "E".

16. On or about the 28th day of March, 1966, Boeing and the directors caused a purported notice in the form of Exhibit "E" to be published in The New York Times and in The Wall

Street Journal.

17. Plaintiffs are informed and believe that no notice of the call for redemption other than hereinbefore described was published or communicated in any manner to the debentureholders (other than those holding the debentures in registered form).

18. The named plaintiffs received no actual notice of the call for redemption of the debentures and had no knowledge thereof until after March 29, 1966.

19. On information and belief, those debentures which Boeing has converted were converted at the basic rate and should have been converted at the defined higher adjusted rate which would appear from available corporate reports to be 2.27 shares for each $100 (and despite any references herein to conversion at the basic rate, plaintiff reserves the right to establish the adjusted rate as greater than the basic rate).

20. On March 29, 1966, the closing price of the common stock on the New York Stock Exchange was $158.125 a share and on April 14, 1966 the stock reached $182 a share.

21. Had plaintiffs and those similarly situated known of the call for redemption they would have delivered their debentures for conversion prior to March 29, 1966.

22. On receiving notice at various times after March 29, 1966 of the redemption call, various plaintiffs did tender their debentures for conversion and such tenders were

rejected as late. On information and belief, tenders by any and all other debentureholders after that date would have been useless for they would have been rejected.

23. On or about May 17, 1966, Boeing common stock was split 2 for 1, thereby entitling plaintiffs to additional shares of common stock.

24. On or about May 27, 1966, stockholders were given rights to purchase at $53 a share one share for every 8 held.

25. On or about June 10, 1966, Boeing paid a cash dividend of 50¢ a share on the pre-split stock and plaintiffs were deprived of the dividends on the shares which they would have received on conversion.

26. On or about September 9, 1966 Boeing paid a cash dividend of 30¢ a share on the split stock and Boeing has declared a cash dividend of 30¢ a share on the split stock payable December 9, 1966, and plaintiffs are threatened with loss of these dividends on the shares which they would have had by virtue of the conversion, the split and the rights, if exercised.

27. On or about August 9, 1966, Boeing announced that on or about August 26, 1966, it would issue rights to stockholders to purchase new convertible debentures to be issued by Boeing.

28. By virtue of the foregoing, on information and belief, the aggregate loss to debentureholders who did not convert was approximately $4,000,000.

Complaint in Consolidated Action

COUNT I

29. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

30. The jurisdiction of the court in this Count rests upon Section 10b and Section 27 of the Securities Exchange Act of 1934 as amended and Rule 10(b)(5) promulgated thereunder and Section 22 of the Securities Act of 1933 as amended.

31. Pursuant to the requirements of the foregoing statutes, Boeing prepared, published and circulated a prospectus in connection with the issuance of the debentures.

32. On information and belief, Boeing, with the intent to deceive and defraud the purchasers of the debentures omitted to state in the prospectus that debentureholders had the option to register their debentures and thereby become entitled to receive notice by mail of any call for redemption and omitted to set forth adequately the publication requirements as provided in the indenture.

33. Had the prospectus set forth the option as to registration, on information and belief, plaintiffs and those similarly situated would have registered and would have received notice of redemption.

34. Had the prospectus set forth the terms of the indenture as to publication, on information and belief, plaintiffs and those similarly situated would have taken precautions to be informed of such publication.

35. Such facts were material and in connection with the facts which were stated in the prospectus were necessary

in order that the purchasers might fully comprehend the statements made.

COUNT II

36. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

37. Jurisdiction is vested in this court by 15 U.S.C. 77 lll, 77 mmm, 77 nnn and 77 vvv (Sections 312, 313, 314 and 322 of the Trust Indenture Act of 1939), Act of May 27, 1933, c. 38 Title lll, Sections 312, 313, 314 and 322 as added on August 3, 1939, c. 411, 53 Stat. 1161, 1165, 1167 and 1175.

38. The Trust Indenture Act of 1939, U.S.C. 77 aaa et seq. Act of May 27, 1933, Title lll, as added August 3, 1939, c. 411.53 Stat. 1149 in U.S.C. 77 bbb (a) "declared that the national public interest and the interest of investors in ***debentures***are adversely affected" by, inter alia, failure "to provide a trustee to protect and enforce the rights and to represent the interest of such investors", lack by the trustee of "adequate rights and powers, or adequate duties and responsibilities" for such protection and enforcement, and

> "(4) when the obligor is not obligated to furnish to the trustee under the indenture and to such investors adequate current information as to its financial condition, and as to the performance of its obligations with respect to the securities outstanding under such indenture; or when the communication of such information as to the names and addresses of such investors generally is not available to the trustee and to such investor;"

and U.S.C. 77 bbb (b) provides:

> "and it is declared to be the policy of this subchapter, in accordance with which policy all the provisions of this subchapter shall be interpreted, to meet the problems and eliminate the practices, enumerated in this section, connected with such public offerings."

39. In order to provide "to such investors adequate current information as to its financial condition, and as to the performance of its [the obligor's] obligations with respect to the securities" (Sec. 302(a)(4)) and so that "communication of such information to such investors is [not] impeded by the fact that information as to the names and addresses of such investors is not available" (id.) Sec. 312 of the Trust Indenture Act provides that the obligor shall furnish to the trustee from time to time bondholders' lists and pursuant thereto Article VIII, Sec. 8.01 of the Indenture reads in part as follows:

> "The Company covenants and agrees that it will furnish to the Trustee during the periods March 15 to March 31, inclusive and September 15 to September 30, inclusive, in each year beginning with March, 1959,***a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company, or any of its paying agents other than the Trustee, as to the names and addresses of the holders of debentures obtained since the date as of which the next previous list, if any, was furnished."

40. On information and belief, in violation of Sec. 312 and in breach of Article VIII, Sec. 8.01 of the Indenture, Boeing did not furnish such names and addresses between March 15 and March 31, 1959 but, instead, sent a letter to Chase saying that it had no information as to such names and addresses other than was in the possession of Chase and Boeing has at no time since furnished such information but remains in continuing default.

41. On information and belief, the said letter from Boeing to Chase was untrue in that Boeing's subscription agent, First National City Bank of New York, had the subscription warrants and the names and addresses to which the debentures were forwarded, including plaintiffs' names and addresses whereas

Chase had only the names and addresses of banks which forwarded the January, 1959, coupons for collection and of such holders as may have forwarded their coupons directly.

42. On information and belief, Chase has retained all lists of those to whom it has paid for coupons and all lists, if any, received by it from the obligor from the inception of the debenture issue and had it received the names and addresses of subscribers and addresseeswho received the original debentures, it would have had such in March, 1966.

43. Further to provide investors with such information Sec. 314 of the Trust Indenture Act provides that the obligor shall furnish to the Trustee certain information and pursuant thereto Article VIII, Sec. 8.03 of the Indenture provides:

> "The Company covenants:
>
> (a) to file with the Trustee within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to section 13 or section 15d of the Securities Exchange Act of 1934***"

44. Pursuant to Sec. 13 of the Securities Exchange Act of 1934 and the Rules promulgated thereunder and the said Article VIII, Sec. 8.03 of the Indenture, Boeing was required within ten days after the end of each month to file a Form 8k with the Securities and Exchange Commission, stating, inter alia, if "the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general

effect of such modification upon the rights of holders of such securities."

45. On information and belief, Boeing violated the requirements of Sec. 314 of the Trust Indenture Act and was in breach of Article VIII, Sec. 8.03 in that although the redemption of the debentures was voted by Boeing's directors on February 28, 1966 and was advertised in the Wall Street Journal on March 8, 1966, Boeing filed no Form 8k in the month of March, 1966 for the month of February, 1966 and on or about April 11, 1966 filed Form 8k without any mention whatever of the said redemption or conversion; but instead filed such information on or about May 10, 1966 so that if the information was filed at all with Chase it was so done in May, 1966 rather than March, 1966 as provided by the said statute and indenture.

46. Sec. 313 of the Trust Indenture Act further requires the Trustee to provide certain information to, among others, "all holders of indenture securities whose names and addresses have been furnished to or received by the Indenture Trustee pursuant to Section 312 of this title", and pursuant thereto Article VIII, Sec. 8.04 of the Indenture provides:

> "Reports by the Trustee:
>
> (a) on or before June 1, 1959, and on or before June 1 in every year thereafter, so long as any Debentures are outstanding hereunder, the Trustee shall transmit to the Debenture holders, as hereinafter in this Section 8.04 provided, a brief report dated as of the preceding April 1 with respect to:***
>
> 6. any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Debentures, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of section 9.10."

47. The foregoing sections read together with Sec. 302 of the Trust Indenture Act fairly disclose the intent that the contents of Form 8k shall be made available to the Trustee in time to enable the Trustee to give timely notice to all investors whose names and addresses are available to it to protect their rights and interests.

48. Had Boeing delivered the names and addresses of the subscribers and the consignees of the debentures to Chase, had it in due time filed its Form 8k and transmitted a copy thereof to Chase and had it allowed more than 30 days from the date of first publication, on information and belief, Chase would have informed the investors of their conversion rights in adequate time to act; or had Boeing notified its stockholders of the redemption those who were original subscribers and continued to be holders, including plaintiffs, and perhaps others would have had due notice of their rights all within the intent of the Trust Indenture Act and within the interpretation directed by Sec. 302 thereof.

49. Boeing's specific violations above-stated, its deliberate failure to notify by mail stockholders many of whom, including plaintiffs, had subscribed to and had continued to hold the debentures, the deliberate shortening of the conversion time to less than the minimum time permitted by the debenture and less than the minimum time permitted for reasonable notice, and Boeing's deliberate failure to provide for failures to convert which could be due only to failure to receive notice, oversight, error or other cause beyond the control of the investors constituted a violation of the intent as well as the word of the Trust Indenture Act.

50. By virtue of the foregoing plaintiffs and all those similarly situated are entitled to receive in exchange for their debentures a) the shares provided in the debentures as of March 29, 1966; b) the shares due on those shares by virtue of the stock split of May 17, 1966; c) the rights, including the opportunity to exercise them, on the shares which would have been held by them as of May 27, 1966; d) the rights to be issued with respect to the shares which they are entitled to have as of the date of issuance of such rights to purchase the August 26, 1966 debentures; and e) such cash dividends and other benefits as may accrue in the premises.

COUNT III

51. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

52. The provisions of the debenture for redemption on "not less than 30 nor more than 90 days' prior notice as provided in the Indenture" and of the prospectus "on not less than 30 days' and not more than 90 days' published notice" are in conflict with the terms of the Indenture that only "the first such publication to be not less than 30 days and not more than 90 days before *** redemption" and plaintiffs and those similarly situated are entitled to the most favorable interpretation, to wit, that publication will be complete not less than 30 days' before redemption.

53. No reasonable person reading the debenture would conclude that the Indenture might provide for only a single publication precisely 30 days before redemption and that publication might be made as close as 17 days before

redemption and 7 days before conversion, as is, in fact, provided in the Indenture, or 20 days before redemption and 10 days before conversion as was Boeing's purported notice. On reading the debenture, plaintiffs were entitled to believe that the Indenture would provide a reasonable form of notice which should be complete not less than 30 days before the redemption date and the Indenture did not so provide.

54. The purported notice further did not comply with the provision of the Indenture that the publication be in a newspaper of general circulation in Manhattan since the Wall Street Journal was not a newspaper of general circulation in Manhattan.

55. Accordingly, Boeing's purported notice did not comply with the notice requirements of the debenture.

COUNT IV

56. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

57. Jurisdiction is vested in this court by Sections 10(b) and 29(b) ofthe Securities Exchange Act of 1934.

58. The provisions of the debentures with respect to notice are deceptive under the said Section 10(b) and, therefore, void under the said Section 29(b) and the said press release and New York Times publication did not comply with law in that

(a) The debentures do not state that under the Trust Indenture the "published notice" requirements for redeeming the debentures might be satisfied by only two no-

tices in a newspaper published in the Borough of Manhattan, City, County and State of New York.

(b) The debentures do not state that if the debentureholders registered their debentures a copy of any notice of redemption would be mailed by Boeing to the holders of the registered debentures at their last known addresses as they appear upon the books of Boeing.

(c) The debentures do not state the manner in which the debentures shall be called for redemption and, in particular, the manner in which notice of the call for redemption will be published.

(d) The Press Release and New York Times publication of the 2nd day of March, 1966 fail to state that as of the 28th day of February, 1966 Boeing had decided to redeem the debentures and, in fact, the Directors had so authorized redemption of the debentures on the 8th day of April, 1966.

COUNT V

59. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

60. The provision in the indenture for notice of redemption was void because such notice was so inadequate and unreasonable as to be utterly unconscionable.

61. In view of the immense disparity between the value of the debenture with the conversion privilege and the debenture without the conversion privilege it was completely unconscionable for Boeing to purport to cut off the rights of the holders of thousands of debentures because their lack of

notice resulted in failure on their part to tender their debentures for conversion prior to March 29, 1966.

COUNT VI

62. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

63. The conversion of the debentures of those who received notice and the refusal to convert for those who did not resulted in an unjust enrichment of all stockholders who had owned no debentures and of those who received the notice and converted, all at the expense of plaintiffs and those similarly situated.

64. On information and belief, such discrimination resulted further from Boeing's conversion of debentures sent to it in envelopes postmarked on or prior to March 29, 1966 and received thereafter.

65. Those debentureholders with small holdings and those living outside of the Manhattan area were particularly subject to lack of notice both by the nature of the provisions of the Indenture and by the nature of the purported notice and were even more subject to the risk of unjust enrichment of other stockholders at their expense.

66. Such unjust enrichment is so unconscionable as to render void the discrimination in conversion between those who received notice and those who did not.

COUNT VII

67. Plaintiffs reallege each and every allegation of Paragraphs 1 to 28 inclusive.

Complaint in Consolidated Action

68. Jurisdiction hereof is based on Section 14(a) of the Securities Exchange Act of 1934.

69. On or after February 28, 1966, Boeing and the directors caused to be mailed to stockholders a proxy statement in connection with an Annual and Special Meeting of stockholders to be held on April 25, 1966.

70. The said proxy statement made no reference whatever to the fact that on February 28, 1966, Boeing had decided to redeem the debentures; although the subject matter thereof included authorization of an increase in common shares.

71. The foregoing omission in said proxy statement constituted an omission of a material fact in willful violation of Section 14(a) of the Securities Exchange Act of 1934, and Rule 14A, promulgated by the Securities and Exchange Commission thereunder.

72. If said proxy statement had stated Boeing's intent and decision to redeem the debentures, plaintiffs and debentureholders similarly situated who were also shareholders of Boeing would have received notice of the redemption, and those plaintiffs and debentureholders similarly situated who were not shareholders of Boeing would have been more likely to receive notice of Boeing's intent to redeem the debentures.

COUNT VIII

73. Plaintiffs reallege each and every allegation of Paragraphs 1 to 28 inclusive.

74. On information and belief, in or about the month of July, 1958, Boeing entered into a "listing Agreement"

with the New York Stock Exchange relating to the listing of said debentures with the said Exchange which Listing Agreement provided, among other things, certain procedures to be followed by Boeing regarding publicity to be given to the Exchange and the general public upon the redemption of such debentures.

75. On information and belief, Boeing failed, neglected and refused to adhere to such publicity procedures and by reason thereof plaintiffs and all debentureholders similarly situated did not receive adequate, fair and reasonable notice of redemption of their debentures.

COUNT IX

76. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

77. On information and belief, Boeing intentionally and fraudulently has attempted to deprive plaintiffs and the other holders of the debentures of their substantial rights of conversion by failing to give due, reasonable, adequate and proper notice of The Boeing Company's election to redeem the debentures, thereby attempting to deprive plaintiffs and the other holders of the debentures of their substantial property rights.

COUNT X

78. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

79. Boeing and the directors owed and still owe a fiduciary duty to plaintiffs and all debentureholders similarly situated by reason of the following conditions, the existence of which Boeing and the directors knew or should have known:

Complaint in Consolidated Action

(a) Plaintiffs and all debentureholders similarly situated owned and held "bearer" (non-registered) debentures.

(b) The call of the debentures for redemption, the time at which the debentures were to be called, the number of times the redemption notice would be published and the manner and means by which notice of redemption would be communicated to debentureholders were solely within the control of Boeing and the directors.

(c) A vast number of debentureholders were also shareholders of Boeing.

(d) Upon conversion the debentures had a value in excess of three times the amount of the redemption price and a failure to convert by any debentureholder would result in a substantial loss to him.

(e) Most debentureholders were individuals as opposed to institutional or professional investors.

(f) The debentureholders did not negotiate or bargain with Boeing to establish the terms of the debenture or the indenture with reference to the redemption procedure.

(g) Most of the debentureholders never saw the indenture.

(h) Boeing and the directors knew that plaintiffs and most, if not all, of the debentureholders would rely on the debentures and would not read the indenture.

80. Boeing and the directors violated their fiduciary duties to plaintiffs and all debentureholders similarly situated by:

(a) Giving to the debentureholders substantially less than 30 days' published notice of redemption instead of

the maximum 90 days' notice.

(b) Publishing notice of redemption on only three occasions, the last such publication being just one day prior to the final date for conversion.

(c) Publishing notice of redemption in only one newspaper, namely, The Wall Street Journal, on three occasions and in a second newspaper, namely, The New York Times, on one occasion.

(d) Failing to correct the Press Release and The New York Times article which appeared on the 2nd day of March, 1966, which stated that redemption would occur "at a future date" when in fact the redemption had been authorized by the directors of Boeing on the 28th day of February, 1966, the directors had authorized the officers to publish the first notice of redemption on the 8th day of March, 1966, and in fact notice of redemption was published on the 8th day of March, 1966, only six days after said article appeared.

(e) Failing to include in the proxy statement to shareholders any mention of the redemption.

(f) Failing to send to shareholders who had purchased debentures pursuant to the original offering thereof, notice of redemption.

(g) Failing to send notice of redemption to debentureholders who had direct communications with Boeing, and by reason of such communications, Boeing had actual knowledge of their names and addresses.

(h) Failing to extend the period of conversion from the 29th day of March, 1966 after (i) learning that a considerable number of debentureholders were not aware of the notice of redemption until after the date for conversion had

passed and (ii) receiving demands for such extension.

(i) Failing to extend the date for conversion after (i) learning that individual debentureholders had sustained losses in excess of $4,000,000.00, and (ii) receiving demands for such extension.

COUNT XI

81. Plaintiff Henning realleges all of the allegations of Paragraphs 1 to 28 inclusive.

82. At all times hereinafter mentioned, Henning was and still is the owner of debentures having an aggregate face value of $25,000.

83. In reliance upon the statement in The New York Times article published on the 2nd day of March, 1966 that the directors of Boeing were authorized to call debentures for redemption at a later date, Henning left New York on or about the 2nd day of March, 1966, to recuperate from an illness in Sharon, Massachusetts and remained in Massachusetts until on or about the 30th day of March, 1966.

84. Defendants knew or should have known that debentureholders, including Henning, would rely upon the aforesaid newspaper article and assume that the debentures would not be called for redemption until some later or future date.

85. Boeing and the directors failed and neglected to publish a correction of said newspaper article.

86. On information and belief, from on or about the 1st day of March, 1966 to on or about the 1st day of April,

1966, there was a newspaper strike in Massachusetts and Henning was unable to obtain either The New York Times or The Wall Street Journal.

87. Henning had no knowledge of the notice of redemption prior to the 30th day of March, 1966, the date after his right to convert his debentures expired.

88. On or about the 1st day of April, 1966, Henning demanded that Boeing permit him to convert his debentures but said demand was refused and Henning has been unable to convert any part of his debentures.

89. By reason of the premises Henning has sustained damages in the sum of $66,000.00.

COUNT XII

90. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive and 36 to 50 inclusive.

91. Upon information and belief, Chase was in breach of its duties under the Indenture in that on receipt by Chase of the letter referred to in Paragraph 40 above Chase well knew that such names and addresses were available to Boeing and should not have accepted the word of Boeing that Boeing had no further information as to names and addresses.

92. Upon information and belief, Chase was further in breach of its duties under the Indenture in failing to require notice to be sent to the various banks who transmitted coupons to it for collection and requesting such banks to give notice to the depositors of coupons and in failing to give like notice to those depositors of coupons whose names and addresses Chase had.

Complaint in Consolidated Action

COUNT XIII

93. Plaintiffs reallege all of the allegations of Paragraphs 1 to 28 inclusive.

94. Plaintiffs and all debentureholders similarly situated relied upon the terms of the debentures as to the notice of redemption that Boeing would be required to give if it desired to redeem the debentures.

95. Plaintiffs, and upon information and belief, all debentureholders similarly situated, never intended to examine the Indenture and, in fact, never saw the Indenture prior to the commencement of this action. Boeing knew or should have known that the Indenture would not be seen by the debentureholders and that the debentureholders would rely exclusively upon the terms on the face of the debentures. Since the terms of the Indenture relating to redemption and notice of redemption contained a material limitation on what would be reasonable notice, such terms cannot and do not form a part of the debentures and could not be and are not incorporated into the terms of the debentures, notwithstanding anything in the debentures to the contrary.

96. Boeing was thereby obligated to give to plaintiffs and all debentureholders similarly situated reasonable notice of redemption.

97. The purported notice of redemption by publication on two occasions in the Wall Street Journal during a two week period and by publication in the Wall Street Journal and the New York Times on the day before the right of conversion ended, was not reasonable, was unconscionable, against public policy, and void.

98. Plaintiffs and all debentureholders similarly situated relied upon the terms on the face of the debentures, and did not receive notice of redemption until after the date of conversion passed.

WHEREFORE, plaintiffs demand judgment:

1. directing defendants to deliver to plaintiffs as their interests may appear in return for their debentures the securities herein described and to afford to them the elections to exercise the rights above described or to receive the value of such rights at the time such rights were valid and to grant to plaintiffs such other benefits and rights as may have accrued to the holders of the debentures and the holders of the common stock of the company from March 29 to date;

2. that where necessary to make the debentureholders whole, defendants be directed to pay interest on the debentures;

3. directing that defendants grant to all other debentureholders who may be similarly situated like rights;

4. granting to plaintiffs and all members of the class of debentureholders similarly situated their damages sustained by reason of the wrongful acts herein set forth together with interest thereon;

5. awarding plaintiffs the costs and disbursements of this action and reasonable attorneys' and accountants' fees and expenses incurred by them in connection with this litigation;

6. granting such other and further relief as to the court may seem just in the premises.

NATHAN, MANNHEIMER, ASCHE
WINER & FRIEDMAN

By _____
Member of the Firm
295 Madison Avenue
New York, N. Y. 10017

MATSON, KASS, GOODKIND & WECHSLER

By _____
Member of the Firm
60 East 42nd Street
New York, N. Y. 10017

_____
IRVING STEINMAN, ESQ.
11 Park Place
New York, N.Y. 10007

EXHIBIT A - SCHEDULE OF PLAINTIFFS ANNEXED TO FOREGOING COMPLAINT

Name	State	Amount
Bertha J. Winer, Trustee u/w Helen B. Jacobi July 1958-July 25, 1966		
Joanne W. Finn July 25, 1966-Sept 1, 1966		
Bertha J. Winer, Trustee u/ind Joanne Winer Finn Sept. 1, 1966 —	N.Y.	3,000
Arthur Frisch	N.Y.	3,000
Marion S. Mitchell	Michigan	5,000
Vincente J. Bonnard		
Sarah E. Moritz	Illinois	2,800
Virginia W. Staub	Illinois	600
S. Edward Mittler	Penn.	5,000
Dr. Jack Diener	D.C.	20,000
Louis Berglas	N.Y.	3,000
Dennis J. Finn	Florida	20,000
Harold M. White & Margaret C. White	Illinois	3,000
Morris Bernstein	Mass.	1,100
Walter L. Eaton	Mass.	100
Ernest G. Angevine	Mass.	1,000
Abraham Perchick	N.Y.	2,300
Committee for the Estate of Max Schneider, an Incompetent	N.Y.	10,000
Frances H. Shoobe	N.Y.	3,000
Albert A. Arditti	N.Y.	5,000
Gertrude McNaught	Illinois	1,800
Mrs. J. H. Stein	Wisconsin	200
Joan S. Berman	Illinois	100
J. David Stein	Georgia	100

Exhibit A - Schedule of Plaintiffs Annexed to Foregoing Complaint

Name	State	Amount
William R. Van Gemert	Mass.	$ 1000
Albert A. Henning	N.Y.	$25,000
Edward E. Houchins	Penn.	$1400
Nathan Pearlman	Ohio	3000
Elias A. Chariott	Penn.	20,000
Charles K. Davis	Mass.	1900
Andreal Holding Corp.	N.Y.	10,000
Samuel A. Weiss	N.Y.	500
Irwin L. Isert	N.Y.	200
Jack Kirschner	N.Y.	400
Charles Friedman	Conn.	500
H. Michael Albers	Penn.	10,000
Abraham Stern	N.Y.	5,000
Edward Kempler	N.Y.	1,400
Simeon E. Schloss, Jr.	North Carolina	500
Mary Jane Schloss Silverman	Penn.	300
Simeon A. Schloss, Jr. etc.	North Carolina	300
Davis M. Bodtsford	California	3,000
Mrs. Samuel Lemler	N.Y.	800
Louis Davis	N.Y.	1,000
Mrs. Leonard C. Dill, Jr.	Penn.	200
Joseph Schlagman	N.Y.	500
Natalie K. Wigler	N.Y.	2,000
Ann Louise Diamond	N.Y.	100
Samuel Chardavoyne	N.Y.	1100
William M. Jones	Illinois	500
Mr. & Mrs. H. Dieneman	Illinois	200
Milton Hart	N.J.	200
Mary Levin	Penn.	2,500
Frances Davis	Missouri	2,000
E. Julian Davis	Florida	3,700
Robert Lemlick	Ohio	100

BOEING AIRPLANE COMPANY

NEW 1404 — 4½% CONVERTIBLE SUBORDINATED DEBENTURE, DUE JULY 1, 1980 — NEW 1404

Boeing Airplane Company, a Delaware corporation (herein called the "Company"), for value received hereby promises to pay to bearer (or, if this Debenture be registered as to principal, then to the registered holder hereof) at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, the principal sum of

ONE THOUSAND DOLLARS ($1,000)

on July 1, 1980, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay interest on said principal sum at the rate of 4½% per annum at such office or agency in like coin or currency from July 27, 1955, (semi-annually on January 1 and July 1) to said true and actual payment of said principal sum that has been made or duly provided for, but, until maturity, only upon presentation and surrender of the interest coupons hereto annexed, as they severally mature.

This Debenture is one of a duly authorized issue of Debentures of the Company, limited to the aggregate principal amount of $30,897,000, known as its 4½% Convertible Subordinated Debentures, due July 1, 1980 (herein called the "Debentures"), issued or to be issued under an Indenture dated July 1, 1955 (herein called the "Indenture"), between the Company and The Chase Manhattan Bank, Trustee, to which Indenture and all Indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures and coupons.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all Debentures may be declared, and upon such declaration shall become due and payable, in the manner and with the effect provided in the Indenture. As provided in the Indenture and subject to certain conditions, any such declaration may be rescinded by the holders of a majority in aggregate principal amount of the Debentures outstanding upon payment of all principal, premium and interest then due otherwise than by acceleration. Such holders may also, prior to such declaration, waive any past default under the Indenture and its consequences, except a default in the payment of the principal of, premium, if any, or interest on, any of the Debentures. Any such waiver or any consent by the holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Debenture and of any Debenture issued in exchange or substitution therefor, irrespective of whether or not any notation of such consent or waiver is made upon this Debenture.

The Indebtedness evidenced by the Debentures and any coupons appertaining thereto is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, as defined in the Indenture, and this Debenture is issued subject to such provisions, and each holder of this Debenture and any coupon appertaining hereto, by accepting the same, agrees to and shall be bound by such provisions.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66⅔% in aggregate principal amount of the Debentures at the time outstanding, evidenced as in the Indenture provided, to execute supplemental Indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental Indenture or modifying in any manner the rights of the holders of the Debentures and coupons; provided, however, that no such supplemental Indenture shall (i) extend the fixed maturity of any Debentures, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, or reduce any premium payable on the redemption thereof, or impair the right, as set forth in the Indenture, to convert the Debentures, without the consent of the holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the consent of the holders of which is required for any such supplemental Indenture, without the consent of the holders of all Debentures then outstanding.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Debenture at the places, at the respective times, at the rate and in the currency herein prescribed.

The holder of this Debenture is entitled, at his option, at any time on or before July 1, 1960, or in case this Debenture shall be called for redemption prior to such date, then to and including but not after the tenth day prior to the redemption date, to convert this Debenture (or, if this Debenture is of a denomination greater than $100, any portion of the principal amount which is $100 or an integral multiple thereof), at the principal office or agency, or such portion hereof, into shares of Capital Stock of the Company, as said shares shall be constituted at the date of conversion, at the conversion rate of two shares of Capital Stock for each $100 principal amount of Debentures, or at the adjusted conversion rate in effect at the date of conversion determined as provided in the Indenture, all in accordance with the terms and provisions of the Indenture. As provided in the Indenture, the conversion rate is subject to adjustment in certain cases as set forth therein. No adjustment is to be made on account of interest accrued hereon or for dividends on securities issued on conversion. The Company is not required to issue fractional shares upon any such conversion, but shall make adjustment therefor in cash on the basis of the current market value of any fractional interest as provided in the Indenture.

In case of a partial conversion of this Debenture the holder shall receive a new Debenture or Debentures in authorized denominations in an aggregate principal amount equal to the unconverted portion of this Debenture.

The Debentures are issuable as coupon Debentures, registrable as to principal, in denominations of $100, $500 and $1,000 and as registered Debentures without coupons in denominations of $1,000 and any multiple of $1,000. As provided and subject to the limitations set forth in the Indenture and upon payment of charges as therein provided, the coupon Debentures and registered Debentures without coupons of any denomination are exchangeable for other Debentures of any other authorized denomination or denominations of an equal aggregate principal amount, as requested by the holder surrendering the same, at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York.

If this Debenture or any portion of it is called for redemption as a whole or in part, at any time or times, at the option of the Company, not less than 30 nor more than 90 days' prior notice, as provided in the Indenture, at the following redemption prices (expressed in percentages of the principal amount):

If redeemed during the [illegible] period ending July 1,

Year	Percentage	Year	Percentage
1955	104½%	1968	103%
1956	104½%	1969	103%
1957	104½%	1970	103%
1958	104½%	1971	102½%
1959	104½%	1972	102½%
1960	104½%	1973	102½%
1961	104%	1974	102%
1962	104%	1975	102%
1963	104%	1976	101½%
1964	104%	1977	101½%
1965	103½%	1978	101%
1966	103½%	1979	101%
1967	103½%	1980	100%

and thereafter to [illegible], all (but not part) of the principal amount thereof, in each case together with accrued interest to the date fixed for redemption.

The Debentures are also subject to redemption in part, pursuant to the terms of the sinking fund provided in the Indenture, on January 1, 1960 and on any January 1 thereafter, to and including January 1, 1979, upon notice as set forth above, at 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

This Debenture shall pass by delivery except while registered as to principal. This Debenture may be registered as to principal upon presentation at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, such registration being noted hereon, after which no transfer hereof shall be valid unless made, as provided in the Indenture, at said office or agency by the registered holder hereof or by his attorney duly authorized in writing and such transfer hereof shall be noted hereon, but this Debenture may be discharged from such registration by like transfer to bearer and thereafter, unless upon transferability by delivery shall be restored. Such registration, however, shall not affect the transferability by delivery of the coupons for the interest hereon, and such coupons shall continue to be payable to bearer and transferable by delivery. No service charge shall be made for any such registration, transfer or exchange (except for any tax or other governmental charge that may be imposed in connection therewith).

The Company, the Trustee, any paying agent, any conversion agent and any Debenture registrar may deem and treat the bearer hereof, or, if registered as to principal, the registered holder hereof, and the bearer of any coupon appertaining hereto, whether or not this Debenture shall be registered as to principal, as the absolute owner of this Debenture or such coupon, as the case may be (whether or not this Debenture or such coupon shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Company or any Debenture registrar), for the purpose of receiving payment hereof or on account hereof or of such coupon, as the case may be, and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any conversion agent nor any Debenture registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or premium, if any, or the interest on this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, or against any past, present or future stockholder, director or officer, as such, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

Neither this Debenture nor any coupon appertaining hereto shall be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture.

In Witness Whereof, Boeing Airplane Company has caused this Debenture to be signed manually or by facsimile by its President or one of its Vice Presidents and by its Secretary or one of its Assistant Secretaries, and has caused a facsimile of its corporate seal to be affixed hereunto or imprinted hereon, and coupons for interest bearing the facsimile signatures of its Treasurer or Assistant Treasurer.

Boeing Airplane Company

DATED JULY 1, 1955.

BY [signature] PRESIDENT

[illegible] CERTIFICATE OF AUTHENTICATION

[illegible] OF THE DEBENTURES REFERRED TO IN [illegible]

[illegible] As Trustee

[signature]

EXHIBIT "B"

EXHIBIT C - PRESS RELEASE TO NEW YORK TIMES ANNEXED TO FOREGOING COMPLAINT

FROM: Mark M. Neville
THE BOEING COMPANY
International Plaza, 03562
New York City 10020
JUdson 6-6930

FOR IMMEDIATE RELEASE

MONDAY, FEBRUARY 29, 1960

BOEING ANNUAL REPORT ANNOUNCED

SEATTLE, Wash., Feb. 29 - (SPECIAL) - Net earnings of $70,260,000 for the year of 1959 on sales of $2,023,402,000 were reported today for The Boeing Company by William M. Allen, president, at the monthly board meeting. Earnings in 1958 were $45,324,000 on sales of $1,982,726,000.

Allen also reported that the board of directors will recommend that the stockholders approve an increase in the authorized capital stock of the company from 10 million to 30 million shares. He further stated that if the stockholders approved such increase in capital stock, it is the present intention of the board to split the stock on a 2 for 1 basis and to establish a quarterly cash dividend of 50 cents per share on the split shares.

The board also indicated that the regular second quarter cash dividend of 50 cents per share will be paid on the stock currently outstanding as of a record date to be established at a later meeting.

The company's management was also authorized to call for redemption at a future date all of the company's outstanding 4½ per cent convertible subordinated debentures.

The 1959 earnings figure represent a 3.9 per cent profit margin. Earnings per share for 1959 on the 8,187,140 shares outstanding were $9.56 compared with $9.04 in 1958.

Commercial sales for the year were $1,003,000,000; missiles and space, $609,000,000 and military aircraft, $411,000,000.

The backlog on December 31, 1959 was $3,140,000,000 compared with $1,844,000,000 on the same date in 1958. Major contributor to the backlog were orders for 428 commercial jet aircraft, announced during the year.

-more-

In commenting on the increased profitability, Allen said: "It is primarily attributable to continued favorable development on the commercial jet transport and military helicopter programs. Our policy of charging research, development, tooling and certain other initial production costs against earnings in the earlier phases of commercial jet transport and straight fixed-price military programs is properly conservative in light of the high risk nature of such programs. It results in reported profit margins in the later stages of a successful program being substantially higher than cumulative overall program margins."

With increased commercial jet transport deliveries, helicopter production doubled and other major company programs on a profitable basis, Allen said that sales and earnings should remain at a relatively high level during 1966. He pointed out, however, that the high volume of commercial sales is due to a considerable extent to the rapid growth in air travel. He added that while it is confidently expected that growth will continue, the rate of growth is dependent upon various factors which cannot be accurately predicted. He stated that in the international field Boeing competes with companies which are either nationally owned or subsidized and that domestically the number of companies competing for government business in the aerospace field has increased sharply.

"It has always been our position, however, that competition makes for a better product and a more aggressive company," he said.

In looking to the future, Allen said that increasingly heavy investments for plant equipment and other requirements will be necessary to meet the demand for commercial jet transports and military helicopters and to provide the resources necessary to support current and prospective missile, space and military aircraft programs.

He added that such investments are of such magnitude that a financing program involving some equity may be desirable in the near future.

EXHIBIT D - NEW YORK TIMES ARTICLE DATED MARCH 2, 1966
ANNEXED TO FOREGOING COMPLAINT

Boeing Planning a 2-for-1 Stock Split

Directors of the Boeing Company have proposed a two-for-one stock split and a dividend of 30 cents a share on the new shares. This would be equivalent to 60 cents a share on the present stock, which now receives 30 cents quarterly.

The proposal is subject to shareholder approval of an increase in the authorized capital stock to 30 million shares, from 20 million. A vote will be taken at the annual meeting in May.

William M. Allen, president of the Seattle-based company, made the announcement and report of record earnings late Monday night, following a day-long meeting of the board.

Net earnings for 1965 amounted to $73,265,000, equal to $9.56 a share on 8,137,150 shares outstanding. This compares with $45,224,000, or $5.64 a share, in 1964.

The company, which will observe its 50th anniversary in July, also made record sales of $2,022,402,000, compared with $1,969,457,000 in 1964.

Commercial Sales Rise

Commercial sales last year rose to $1,003,000,000 from $791-million in 1964. Missiles and space sales dipped to $603-million, from $731-million, as did military aircraft, which reached $411-million, against $537-million.

The backlog on Dec. 31 totaled $2,145,000,000, compared with $1,814,000,000 a year earlier. Major contributors to the backlog were orders for 415 commercial jet aircraft during the year.

Heavy investments for its plant and equipment program are of such magnitude that financing involving some equity may be desirable in the near future, Mr. Allen said.

Directors also authorized the redemption at a later date of the company's outstanding 4½ per cent convertible subordinated debentures.

Boeing's stock opened at 170½ on the New York Stock Exchange yesterday. Advanced to 171¾ and declined at the close to 169¾, for a loss of 1½.

Dow Chemical Co.

Directors of the Dow Chemical Company voted yesterday to raise the quarterly dividend to 50 cents a common share from 45 cents in preceding quarters. The dividend is payable April 29 to holders of record March 30.

W. T. Grant Co.

Directors of the W. T. Grant Company announced here yesterday a two-for-one stock split, an increased quarterly dividend, record annual sales and earnings and a proposed public stock offering.

The quarterly dividend of 55 cents a share is payable April 1 to holders of record March 11 and represents an increase over the former quarterly rate of 40 cents.

Stockholders of the general merchandise chain store organization will consider the proposed stock split at the annual meeting April 26.

The company said it earned $31,245,000, equal to $3.02 a share, on sales of $620,714,427 in 1965, up from $22,326,000, or $3.65 a share, on volume of $760,921,172 in 1964.

W. T. Grant said it planned to offer through underwriters this spring 100,000 of its present shares.

Additionally, the W. T. Grant Credit Corporation, a wholly owned subsidiary organized last January, plans to sell privately or to the public through underwriters $25-million of debt obligations.

Proceeds from the sale of the common stock would be added to the company's working capital. Proceeds from the debt financing will provide long-term funds for use in purchases of customer instalment accounts.

Manhattan Shirt Co.

A four-for-three split of the common stock of the Manhattan Shirt Company was proposed here yesterday by directors of the apparel producer.

Stockholders will consider the proposal at the annual meeting April 19, along with an increase in the number of authorized common shares to 1.5 million, from 650,000.

The board said the dividend rate on the new stock would be set at 11 cents quarterly, or 56 cents a year. This equals 74 2-3 cents on the present shares, on which the company has been paying 70 cents a year.

EXHIBIT "D"

6

EXHIBIT E - NOTICE IN WALL STREET JOURNAL ANNEXED TO FOREGOING COMPLAINT

The Boeing Company

(formerly Boeing Airplane Company)

Notice of Redemption of

4½% Convertible Subordinated Debentures, due July 1, 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated July 1, 1958, between Boeing Airplane Company (now The Boeing Company) (hereinafter called the Company) and The Chase Manhattan Bank (now The Chase Manhattan Bank [National Association]), Trustee, the Company has exercised its option to and will redeem, on April 8, 1966, all of its outstanding 4½% Convertible Subordinated Debentures, due July 1, 1980 (hereinafter called the Debentures), at the redemption price of 103.25% of the principal amount thereof, together with accrued interest to said redemption date.

On and after April 8, 1966, interest on the Debentures shall cease to accrue and the coupons for interest maturing after said date shall be void.

Payment of the redemption price, with accrued interest to the date fixed for redemption, will be made at the principal office of the Trustee upon presentation and surrender for redemption, on or after April 8, 1966, of the Debentures with all coupons appertaining thereto, if any, maturing after the date fixed for redemption. Coupons maturing prior to the redemption date should be detached and surrendered for payment in the usual manner. The Debentures should be presented at The Chase Manhattan Bank N.A. (Corporate Agency Department), 50 Pine Street, New York, New York 10015.

CONVERSION RIGHT

Subject to the provisions of the Indenture, the holder of a Debenture is entitled at his option to convert such Debenture, or any portion thereof which is $100 principal amount or a multiple thereof, into shares of Capital Stock of the Company. This right of conversion will terminate at the close of business on March 29, 1966. The conversion rate now in effect is 2 shares of Capital Stock for each $100 principal amount of Debentures. As provided in the Indenture, no adjustment shall be made for interest accrued on any Debenture surrendered for conversion or for dividends on shares of Capital Stock issuable upon conversion of any Debenture.

From January 1, 1965 through March 3, 1966, the sales price for the Common Stock of the Company on the New York Stock Exchange ranged from a high of $178.25 to a low of $60.375 per share. On March 3, 1966, the last sale of such Common Stock on such Stock Exchange was at $158.25 per share. So long as the market price of Common Stock is $52.24 or more per share, a Debentureholder would receive, upon conversion of Debentures, Common Stock having a greater market value than the cash which such holder would receive if he surrendered Debentures for redemption.

The Boeing Company
By DEAN D. THORNTON, Treasurer

Dated: March 3, 1966

EXHIBIT "E"

7

ANSWER OF DEFENDANTS BOEING AND WILCOX (Filed January 11, 1967)

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

WILLIAM R. VAN GEMERT, et al., Plaintiffs, -against- THE BOEING COMPANY, et al., Defendants.	66 Civ. 1820 CONSOLIDATED ACTION ANSWER OF DEFENDANTS BOEING AND WILCOX

Defendants, The Boeing Company ("Boeing") and Thomas R. Wilcox by their attorneys, Davis Polk Wardwell Sunderland & Kiendl, for their answer to the consolidated amended complaint ("complaint"):

1. Deny the allegations of paragraph 1 of the complaint.

2. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 2 of the complaint except admit that, pursuant to a trust indenture dated July 1, 1958, Boeing issued 4 1/2% convertible subordinated debentures due July 1, 1980.

3. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 3 of the complaint except admit that this action purports to be brought for the benefit of plaintiffs and all similarly situated holders of Boeing's 4 1/2% convertible subordinated debentures due July 1, 1980.

Answer of Defendants Boeing and Wilcox

4. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 4 of the complaint, except admit that by order entered October 4, 1966 it has been determined that this action is to be maintained as a class action within Rule 23(a) and (b)(1) and (2) of the Federal Rules of Civil Procedure on behalf of all holders of The Boeing Company 4 1/2% convertible subordinated debentures due July 1, 1980 who failed to convert said debentures on or prior to March 29, 1966.

5. Admit the allegations of paragraph 5 of the complaint.

6. Deny the allegations of paragraph 6 of the complaint, except admit that the persons named therein are (with the exception of Clairmont L. Egtvedt) directors of Boeing and reside in the states set forth opposite their names.

7. Admit the allegations of paragraph 7 of the complaint.

8. Deny the allegations of paragraph 8 of the complaint, and make reference to said prospectus for the full contents thereof. On page 17 of said prospectus under a heading entitled, "Description of the Convertible Subordinated Debentures" it is stated:

> "The Convertible Subordinated Debentures are to be issued under an Indenture to be dated July 1, 1958 between the Company and The Chase

> Manhattan Bank, Trustee. A copy of the Indenture in the form in which it will be executed is filed as an Exhibit to the Registration Statement. References are to the Indenture, and wherever particular provisions are referred to, such provisions are incorporated by reference as a part of the statement made, and the statement is qualified in its entirety by such reference. Wherever a defined term is indicated, the definition thereof is contained in § 1.01 of the Indenture."

Under a subheading "Redemption" to the above-entitled heading on page 17 of said prospectus, it is further stated:

> "Optional Redemption. The Convertible Subordinated Debentures may be redeemed by lot at the option of the Company, as a whole at any time or in part from time to time (provided in either case that at the time the notice of redemption is first published it is not in default in the payment of any Senior Indebtedness), on any date prior to maturity, on not less than 30 days' nor more than 90 days' published notice, at the following redemption prices (expressed in percentages of the principal amount); [table of redemption values omitted] and thereafter at 100% of the principal amount thereof, together with accrued interest to the date of redemption (§ 5.01(a) and § 5.02)."

Section 5.01 referred to in the above quotation from page 17 of the prospectus deals with the right of redemption and redemption prices and sets forth the same table of redemption values set forth on page 17 of the prospectus. Section 5.02 referred to on page 17 of the prospectus deals with the manner of giving notice of redemption and partial redemptions, including the giving of written notice to registered holders of the debentures. Reference is hereby made to the Indenture for the full contents thereof.

9. Deny the allegations of paragraph 9 of the complaint, except admit that on the face of each debenture,

reference to which is hereby made for its full contents, the following provisions are set forth:

> "This Debenture is one of a duly authorized issue of Debentures of the Company, limited to the aggregate principal amount of $30,597,600, known as its 4 1/2% Convertible Subordinated Debentures, due July 1, 1980 (herein called the 'Debentures'), issued or to be issued under an indenture dated July 1, 1958 (herein called the 'Indenture'), between the Company and The Chase Manhattan Bank, Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures and coupons.
>
> . . . . .
>
> The Debentures are subject to redemption as a whole or in part, at any time or times, at the option of the Company, on not less than 30 nor more than 90 days' prior notice, as provided in the Indenture, at the following redemption prices (expressed in percentages of the principal amount):
> . . .
> . . . . .
>
> This Debenture may be registered as to principal upon presentation at the office or agency of the Company, in the Borough of Manhattan, The City of New York, New York, . . . "

Reference is hereby made to the Indenture referred to in the foregoing quote for the full contents thereof.

10. Deny the allegations of paragraph 10 of the complaint and make reference to the indenture for the complete terms thereof.

11. Deny the allegations of paragraph 11 of the complaint and make reference to the indenture for the complete terms thereof.

Answer of Defendants Boeing and Wilcox

12. Admit the allegations of paragraph 12 of the complaint and allege that on February 28, 1966 the Board of Directors of Boeing authorized designated officers of Boeing to call for said redemption on a date to be selected by them.

13. Deny the allegations of paragraph 13 of the complaint, except admit that on February 28, 1966 Boeing issued a press release, reference to which is hereby made for the full and accurate contents thereof.

14. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 14 of the complaint, except admit that Exhibit D attached to the complaint is a true copy of an article which appeared in The New York Times on March 2, 1966.

15. Admit the allegations of paragraph 15 of the complaint, except deny the word "purported".

16. Admit the allegations of paragraph 16 of the complaint, except deny the word "purported".

17. Deny the allegations of paragraph 17 of the complaint.

18. Deny the allegations of paragraph 18 of the complaint.

19. Deny the allegations of paragraph 19 of the complaint, except admit that debentures when offered for conversion within the terms of the indenture were converted into capital stock of Boeing in accordance with the basic rate as described in the indenture.

Answer of Defendants Boeing and Wilcox

20. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 20 of the complaint, except admit that on March 29, 1966 the closing price of the capital stock on the New York Stock Exchange was $158.125 a share.

21. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 21 of the complaint.

22. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 22 of the complaint, except admit that tenders of debentures for conversion not made in accord with the indenture, prospectus, debenture and notice of redemption were and would be refused.

23. Deny the allegations of paragraph 23 of the complaint, except admit that on or about May 17, 1966 Boeing capital stock was split 2 for 1 by a 100% stock dividend.

24. Deny the allegations of paragraph 24 of the complaint, except admit that on or about May 27, 1966 stockholders of record as of May 26, 1966 were given rights to purchase at $53 a share, one (1) share of Boeing capital stock for every eight (8) shares held.

25. Deny the allegations of paragraph 25 of the complaint, except admit that on or about June 10, 1966 Boeing paid a cash dividend of 50¢ a share to shareholders of record as of May 3, 1966.

Answer of Defendants Boeing and Wilcox

26. Deny the allegations of paragraph 26 of the complaint, except admit that on or about September 9, 1966 Boeing paid a cash dividend of 30¢ per share to stockholders of record as of August 5, 1966.

27. Admit the allegations of paragraph 27 of the complaint.

28. Deny the allegations of paragraph 28 of the complaint.

As to Count I

29. Answering paragraph 29 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

30. Deny the allegations of paragraph 30 of the complaint.

31. Admit the allegations of paragraph 31 of the complaint.

32. Deny the allegations of paragraph 32 of the complaint.

33. Deny the allegations of paragraph 33 of the complaint.

34. Deny the allegations of paragraph 34 of the complaint.

35. Deny the allegations of paragraph 35 of the complaint.

Answer of Defendants Boeing and Wilcox

As to Count II

36. Answering paragraph 36 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

37. Deny the allegations of paragraph 37 of the complaint.

38. Deny the allegations of paragraph 38 of the complaint and make reference to the Trust Indenture Act of 1939 for the complete contents thereof.

39. Deny the allegations of paragraph 39 of the complaint and make reference to the Trust Indenture Act of 1939 and the indenture for the full contents thereof.

40. Deny the allegations of paragraph 40 of the complaint.

41. Deny the allegations of paragraph 41 of the complaint.

42. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 42 of the complaint.

43. Deny the allegations of paragraph 43 of the complaint and make reference to the Trust Indenture Act of 1939 and the indenture for the complete contents thereof.

44. Deny the allegations of paragraph 44 of the complaint and refer to the applicable acts and indenture for the complete contents thereof.

Answer of Defendants Boeing and Wilcox

45. Deny the allegations of paragraph 45 of the complaint.

46. Deny the allegations of paragraph 46 of the complaint and make reference to the Trust Indenture Act of 1939 and the indenture for the complete contents thereof.

47. Deny the allegations of paragraph 47 of the complaint.

48. Deny the allegations of paragraph 48 of the complaint.

49. Deny the allegations of paragraph 49 of the complaint.

50. Deny the allegations of paragraph 50 of the complaint.

As to Count III

51. Answering paragraph 51 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

52. Deny the allegations of paragraph 52 of the complaint.

53. Deny the allegations of paragraph 53 of the complaint.

54. Deny the allegations of paragraph 54 of the complaint.

55. Deny the allegations of paragraph 55 of the complaint.

Answer of Defendants Boeing and Wilcox

As to Count IV

56. Answering paragraph 56 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

57. Deny the allegations of paragraph 57 of the complaint.

58. Deny the allegations of paragraph 58 of the complaint.

As to Count V

59. Answering paragraph 59 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

60. Deny the allegations of paragraph 60 of the complaint.

61. Deny the allegations of paragraph 61 of the complaint.

As to Count VI

62. Answering paragraph 62 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

63. Deny the allegations of paragraph 63 of the complaint.

64. Deny the allegations of paragraph 64 of the complaint.

65. Deny the allegations of paragraph 65 of the complaint.

66. Deny the allegations of paragraph 66 of the complaint.

Answer of Defendants Boeing and Wilcox

As to Count VII

67. Answering paragraph 67 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

68. Deny the allegations of paragraph 68 of the complaint.

69. Admit the allegations of paragraph 69 of the complaint.

70. Deny the allegations of paragraph 70 of the complaint and reference is hereby made to the proxy statement for the full contents thereof.

71. Deny the allegations of paragraph 71 of the complaint.

72. Deny the allegations of paragraph 72 of the complaint.

As to Count VIII

73. Answering paragraph 73 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

74. Deny the allegations of paragraph 74 of the complaint, except admit that on or about November 5, 1957 Boeing entered into a "listing agreement" with the New York Stock Exchange and reference is made to said agreement for the complete contents thereof.

75. Deny the allegations of paragraph 75 of the complaint.

Answer of Defendants Boeing and Wilcox

As to Count IX

76. Answering paragraph 76 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

77. Deny the allegations of paragraph 77 of the complaint.

As to Count X

78. Answering paragraph 78 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

79. Deny the allegations of paragraph 79 of the complaint.

80. Deny the allegations of paragraph 80 of the complaint.

As to Count XI

81. Answering paragraph 81 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

82. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 82 of the complaint.

83. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 83 of the complaint.

84. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 84 of the complaint.

Answer of Defendants Boeing and Wilcox

85. Deny the allegations of paragraph 85 of the complaint and deny that any correction of the said article was required.

86. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 86 of the complaint.

87. Deny the allegations of paragraph 87 of the complaint.

88. Admit the allegations of paragraph 88 of the complaint.

89. Deny the allegations of paragraph 89 of the complaint.

As to Count XII

90. Answering paragraph 90 of the complaint, repeat paragraphs 1 through 28 inclusive and paragraphs 36 through 50 inclusive hereof.

91-92. Answering paragraphs 91 and 92 inclusive of the complaint, believe no answer is required by them as the allegations thereof pertain solely to defendant The Chase Manhattan Bank.

As to Count XIII

93. Answering paragraph 93 of the complaint, repeat paragraphs 1 through 28 inclusive hereof.

94. Deny knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 94 of the complaint.

Answer of Defendants Boeing and Wilcox

95. Deny the allegations of paragraph 95 of the complaint, except deny knowledge or information sufficient to form a belief as to which debentureholders intended to or did examine the indenture.

96. Deny the allegations of paragraph 96 of the complaint, except admit and allege that Boeing was obligated to give to the debentureholders such notice as is specified in the indenture and that notice of redemption given by Boeing as specified therein was reasonable notice.

97. Deny the allegations of paragraph 97 of the complaint.

98. Deny the allegations of paragraph 98 of the complaint.

AFFIRMATIVE DEFENSES

First

99. The complaint fails to state a claim upon which relief can be granted.

Second

100. The claims, if any, are barred by the applicable statutes of limitations.

Third

101. The claims, if any, are barred by laches.

Answer of Defendants Boeing and Wilcox

Fourth

102. By reason of article 16 of the indenture, plaintiffs herein and all other debentureholders similarly situated have expressly waived and released any and all rights and claims against the directors of The Boeing Company.

Fifth

103. The claims, if any, to the extent they are based on theories of negligence are barred because of the contributory negligence of the plaintiffs and of other debentureholders similarly situated who failed to comply with and conform to the provisions of the debenture and indenture for conversion of their debentures.

Sixth

104. Debentureholders representing a substantial amount of face value of the debentures have redeemed their debentures and by reason thereof such debentureholders have waived any claim for conversion, have made an election of rights, and are estopped from asserting any of the claims alleged in the complaint.

WHEREFORE, defendants The Boeing Company and Thomas R. Wilcox demand that judgment be entered dismissing the complaint herein, together with the costs and disbursements of this action.

Answer of Defendants Boeing and Wilcox

Dated: New York, New York
January 9, 1967

DAVIS POLK WARDWELL SUNDERLAND & KIENDL

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Attorneys for defendants The Boeing Company and Thomas R. Wilcox

OPINION OF RYAN, D.J. ON APPLICATION FOR RULE 23 ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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WILLIAM R. VAN GEMERT, ALBERT A. HENNING, EDWARD E. HOUCHINS, NATHAN PEARLMAN, ELIAS A. CHARIOTT, for and in behalf of themselves and for all other holders of The Boeing Company 4-1/2% convertible subordinated debentures due July 1, 1980 who are similarly situated,

Plaintiffs,

- against -

66 Civ. 1820

THE BOEING COMPANY (formerly Boeing Airplane Company), THE CHASE MANHATTAN BANK, CLAIRMONT L. EGTVEDT, WILLIAM M. ALLEN, EDWARD C. WELLS, JAMES E. PRINCE, LOWELL P. MICKELWAIT, W. L. CAMPBELL, ARTEMUS L. GATES, CRAWFORD H. GREENEWALT, WILLIAM G. REED, D. E. SKINNER, THOMAS R. WILCOX, JOHN O. YEATING, GEORGE H. WEYERHAEUSER,

Defendants.

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Before:

HON. SYLVESTER J. RYAN, District Judge

OPINION OF THE COURT
ON APPLICATION FOR RULE 23 ORDER

APPEARANCES:

Metzger, Shea, Chodkind & Weinstein, Esqs.,
Attorneys for Plaintiffs,
Stuart O. Hochster, Esq., of Counsel

Dewey, Ballantine, Bushby, Palmer & Wood, Esqs.,
Attorneys for Chase Manhattan Bank,
Everett I. Willis, Esq.,
Malcolm H. Roll, Esq., and
Morton Darnoff, Esq., of Counsel

Walter North, Esq.,
Associate General Counsel,
Securities & Exchange Commission,
-and-
Joseph C. Daley, Esq.

Solomon A. Schlesinger, Esq.,
Attorney for Frank Trinkoff

Havens, Wandless, Stiles & Tighe, Esqs.,
Attorneys for Henry J. Hoff,
Herbert M. Kochel, Esq., of Counsel
-and-
Arent, Fox, Kintner, Plotkin & Kahn, Esqs.,
Burton A. Schwab, Esq., of Counsel

Mr. Henry S. Hale,
Appearing for Hannah Adler-Hale

Abraham Lilienthal, Esq.,
Attorney for Arthur Fusch

Samuel Leeler, Esq.,
Attorney for Elsie Day.

Irving Steinman, Esq.,
Attorney for Louis Bergias

Nathan, Mainbridge, Bull, Winer & Friedman, Esqs.,
Attorneys for Bertha J. Winer,
Norval D. Winer, Esq., of Counsel

APPEARANCES (Cont'd)

McClintock, Fulton, Donovan & Waterman, Esqs.,
Attorneys for Marian S. Mitchell,
James I. McClintock, Esq., of Counsel

Abraham E. Friedman, Esq.,
Attorney for S. Edward Mittler

Danzansky & Dickey, Esq.,
Attorneys for Jack Diener,
Marshall E. Miller, Esq., and
Bernard Gordon, Esq., of Counsel

William H. Manger, Esq.,
Attorney for Albert J. Laun

Foley & Martin, Esqs.,
Attorneys for E. Plocki,
Thomas J. Dufficy, Esq., of Counsel

Mr. Leonard Marx,
Appearing for Estate of Regina Marx

Davis, Polk Wardwell, Sunderland & Kiendl, Esqs.,
Attorneys for The Boeing Company
S. Hazard Gillespie, Esq., of Counsel

Ryan, J. OPINION 4

This is a proceeding initiated by the defendant The Boeing Company (formerly Boeing Airplane Company) seeking the entry of an order determining that this action is to be maintained as a class action under Rule 23(b)(1) and (2) of the Federal Rules of Civil Procedure, effective July 1, 1966.

The matter comes on for hearing on the return of an order directing "that all present and former holders of The Boeing Company (formerly Boeing Airplane Company) 4 1/2% convertible subordinated debentures, due July 1, 1980 and called for redemption on April 8, 1966 (those debentures were not surrendered for redemption on or before March 29, 1966, show cause, (a) why an order should not be entered determining that this action is to be maintained as a class action under Rule 23(b)(1) and (2) of the Federal Rules of Civil Procedure for the benefit of the aforesaid class, (b) why said debentureholders should not be permitted to become and intervene in this action and present claims, if any, or (c) why said debentureholders should not be included in the class for and on whose behalf the action is ordered and to be final judgment in said action whether favorable to said class or not."

Due notice of the issuance of the order to show cause dated July 21, 1966 was given, as directed by said order to the attorneys of record in the several actions then pending filed on behalf of holders of the said Boeing Company convertible subordinated debentures, to wit, Harold M. White, et al. v. The Boeing Company, pending in the United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 66 C 977; Gertrude McNaught, et al. v. The Boeing Company, pending in the United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 66 C 979; Dr. Jack Diener v. The Boeing Company, pending in the United States District Court for the District of Columbia, Civil Action No. 1290-'66; Douglas W. MacMillan v. The Boeing Company, pending in Superior Court of the State of California for the County of Los Angeles, No. 886 233; Dennis J. Finn v. The Boeing Company pending in the Circuit Court of the Eleventh Judicial Circuit of Florida in and for Dade County, common law No. 66 L 2396.(1)

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(1) Upon the return of the order to show cause there were nine separate lawsuits pending, all in the Federal Court -- four in the Southern District of New York: William R. Van Gemert, et al. v. The Boeing Company, Chase Manhattan Bank, et al., 66 Civ. 1820;

Notice of the order to show cause and of its return date was given also to all present and former debentureholders whose address "may be known to the defendants" and by publication twice a week for two successive weeks commencing not later than the week of July 25, 1966 in the national editions of The New York Times and of The Wall Street Journal.

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(1) (Cont'd)
Louis Berglas v. The Boeing Company, et al., 66 Civ. 2385; Harold M. White, et al. v. The Boeing Company, 66 Civ. 977 (transferred from Northern District of Illinois); Gertrude McNaught, et al., v. The Boeing Company, 66 Civ. 979 (transferred from Northern District of Illinois):

Two suits are in the District Court for the District of Columbia:

Jack Diener v. Boeing Company, Civil Action No. 1290-66; Henry J. Hoff v. Boeing Company, Civil Action No. 2084-66.

The three other pending suits are as follows: S. Edward Mittler, etc. v. The Boeing Company, Eastern District of Pennsylvania, Civil Action 40542; D. W. MacMillen v. The Boeing Company et al, Southern District of California, Central Division, Civil Action No. 66-1192-FW; Dennis J. Finn v. The Boeing Company, Southern District of Florida, Miami Division.

We first direct our attention to the factual background of these actions. Many of the basic facts giving rise to this litigation are of historical record. Thus, it appears as undisputed that:

In 1958 the Boeing Company issued and sold 4 1/2% Convertible Subordinated Debentures due July 1, 1980, in the principal amount of $30,597,600. The debentures were offered to shareholders of record at the close of business on July 15, 1958; each shareholder was given the right to subscribe in the ratio of $100 principal amount of debentures for each 23 shares of capital stock held on the record date. Certain underwriters identified in a prospectus dated July 15, 1958, undertook to purchase any debentures which were unsubscribed at the expiration of the subscription offer on July 29, 1958.

The debentures were unsecured obligations bearing interest from July 29, 1958, at 4 1/2%, payable semi-annually on January 1 and July 1. They were issued in both coupon and fully registered form and the coupon debentures could, at the option of the holder, be registered as to principal only.

The debentures were issued under an indenture

dated July 1, 1958, between Boeing and The Chase Manhattan Bank, Trustee. On June 25, 1958, Boeing filed a registration statement with the Securities and Exchange Commission and a copy of the indenture was included as an exhibit to such registration statement. The Securities and Exchange Commission on July 15, 1958, ordered that the registration statement become effective.

In addition to a general incorporation of the indenture terms, the debentures also called the debentureholders' attention to the expiration of the conversion rights ten days prior to the redemption date and specifically incorporated by reference the indenture provisions relating to the notice of redemption. The debentures provided:

> "The holder of this Debenture is entitled, at his option, at any time on or before July 1, 1980, or in case this Debenture shall be called for redemption prior to such date, then to and including but not after the tenth day prior to the redemption date, to convert this Debenture . . . at the principal amount hereof . . . into shares of Capital Stock of the Company, at the conversion rate of two shares of Capital Stock for each $100 principal amount of Debentures . . . . The Debentures are subject to redemption . . . at any time or times, at the option of the Company, on not less than 30 nor more than 90 days' prior notice, as provided in the Indenture (at specified redemption prices) . . . ."

and

The redemption price of the debentures at the date of the call was $103.25 for each $100 face value debenture.

The indenture provided in Section 5.02 for notice of redemption as follows:

"SECTION 5.02 Notice of Redemption; Partial Redemptions. In case the Company shall desire to exercise the right to redeem all or any part of the Debentures, as the case may be, pursuant to Section 5.01, it shall publish prior to the date fixed for redemption a notice of such redemption at least twice in an Authorized Newspaper, the first such publication to be not less than 30 days and not more than 90 days before the date fixed for redemption. Such publication shall be in successive weeks but on any day of the week. It shall not be necessary for more than one such publication to be made in the same newspaper. A copy of such notice shall be mailed by the Company at least 30 days prior to such redemption date to the holders of the registered Debentures without coupons and the holders of the coupon Debentures registered as to the principal so to be redeemed at their last addresses as they shall appear upon the registry books, but failure to give or receive such notice by mail, or any defect therein, shall not affect the validity of any proceedings for the redemption of Debentures. (2)

. . . . . .

(2) An "authorized newspaper" is defined in Section 1.01 of the indenture as follows: "Authorized Newspaper. The term 'Authorized Newspaper' shall mean a newspaper printed in the English language and customarily published at least once a day for at least five days in each

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The Board of Directors of Boeing on February 28, 1966 by resolution adopted authorized its officers "to take all such action as they or any one of them deems appropriate or necessary to call for redemption on a date to be selected by them or any one of them, all of the 4 1/2% Convertible Subordinated Debentures . . . . outstanding under the Indenture dated July 1, 1958. . ." A press release was issued that day by Boeing advising of this resolution.

On March 2, 1966, Boeing's Treasurer decided to call the debentures and to establish April 8, 1966 as the redemption date. By letter dated March 2, 1966, he informed the Trustee that the redemption date had been established as April 8, 1966, and instructed the Trustee to publish the redemption notice in all editions of The Wall Street Journal on March 8 and 18, 1966. Such a notice was so published on these dates. Boeing also caused the same notice to be published in The Wall Street Journal and The New York Times on March 28, 1966. On March 25, 1966, four days

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(2) (Cont'd)
calendar week and of general circulation in the Borough of Manhattan, The City of New York, New York, whether or not such newspaper is published on Saturdays, Sundays and legal holidays."

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prior to the expiration of the conversion rights, Boeing issued a press release which stated that:

> "Final date for conversion of The Boeing Company's 4 1/25 convertible subordinated debentures to Boeing common stock is Tuesday, March 29. . . . Closing price of the stock as of March 25 was $154.5 representing a substantial advantage to holders of the bonds if the conversion is elected."

Of the originally issued $30,597,600 face value debentures a total of $29,053,200, or 94.9% of the original issue, were converted into shares of Boeing capital stock by the expiration of the conversion rights on March 29, 1966. The bulk of these conversions ($19,970,300 representing 92.8% of the $21,514,700 face value debentures outstanding on March 8, 1966) occurred following the notice first published on March 8, 1966, and before the expiration of the conversion rights on March 29, 1966.

After the conversion expiration date (March 29, 1966) there remained $1,544,400 face value debentures unconverted and subject to redemption.

Each of the pending actions listed above is brought by present or former holders of debentures who did not convert their debentures on or prior to March 29, 1966. The claims asserted by some plaintiffs

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are alleged on behalf of themselves "and others similarly situated" and include a demand for relief on behalf of both present debentureholders and former debentureholders whose debentures have been redeemed.

The attorneys for the "Boeing defendants" who have been served or have appeared have analyzed with great care the complaints filed in all of these actions. It would serve no useful purpose again to do so in this opinion. We find, in so far as the claims asserted against The Boeing Company, its officers, directors, and agents, and The Chase Manhattan Bank, the Indenture Trustee are concerned, these are all true class actions falling within the provisions of Rule 23 F.R.C.P. and that these defendants may avail themselves of the appropriate provisions of that rule applicable to such actions.

It is the contention of these defendants that an order of this Court should issue determining that these actions are to be maintained as class actions under the aforesaid Rule 23(b)(1) and (2), and not under Rule 23(b)(3). We have concluded that this relief should be granted and that all the actions pending in this Court should be consolidated. Appropriate provision will be made in subsequent

hearings to be held on due notice for the representation of the parties plaintiff by counsel of their own choice, subject only to such reasonable and prudent provisions as the Court may fix providing for the orderly conduct of this litigation during discovery procedures and at trial. Independent claims asserted against defendants other than the "Boeing defendants" and Indenture Trustee may be separately determined at the one trial.

With the amendments of July 1, 1966, to the Federal Rules of Civil Procedure, a completely new Rule 23 pertaining to class actions became effective.

Former Rule 23 distinguished between class actions which were known as "true," "hybrid" and "spurious." To meet the test of a "true" class action under former Rule 23, members of the class had to be indispensable parties pursuant to joinder rules and apart from the class action procedure. Moore, Federal Rules of Civil Procedure: Some Problems Raised by the Preliminary Draft, 25 Geo. L. J. 551, 570-571 (1937); Note, 51 Va. L. Rev. 629 (1966). In a "hybrid" class action under former Rule 23, the class claimed a "right in a common fund or in common property." Pennsylvania Co. for Ins. on Lives and Granting

Annuities v. Deckert, 123 F.2d 979, 983 (3d Cir. 1941); 2 Barron & Holtzoff, Federal Practice and Procedure Section 562.2 at 272 (1961); 3 Moore's Federal Practice, Para. 23.09 (2d ed. 1964). In a "spurious" class action under former Rule 23, such action involved merely "a common question of law or fact . . . and common relief . . . sought." Former Fed. R. Civ. P. 23(a)(3). Such an action was a device for permissive joinder and did not bind absent parties. 2 Barron & Holtzoff, Federal Practice and Procedure Section 562.3 (1961); 3 Moore's Federal Practice, Para. 23.10 (5 and 6) (2d ed. 1964).

The new Rule 23 eliminates the older classifications of "true, hybrid, and spurious" class actions and abolishes the unique characteristics of the old types of class actions and establishes new standards.

Under the new Rule 23 any action to be maintained as a class action one must meet at the outset four fundamental requirements established by Rule 23(a) and two must then in addition meet any one of the alternative requirements established in Rule 23(b)(1), (2) or (3). (3)

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(3) The provisions of the Rule 23 upon which this application is based, are:
(a) Prerequisites to a Class Action.

The principal distinction between an action maintained as a class action under 23(b)(3) from those maintained under 23(b)(1) or 23(b)(2) is that in (b)(3)

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(3) (Cont'd) One or more members of a class may sue or be sued as representative parties on behalf of all only if (1) the class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (4) the representative parties will fairly and adequately protect the interests of the class.

(b) Class Actions Maintainable. An action may be maintained as a class action if the prerequisites of subdivision (a) are satisfied, and in addition: (1) the prosecution of separate actions by or against individual members of the class would create a risk of (A) inconsistent or varying adjudications with respect to individual members of the class which would establish incompatible standards of conduct for the party opposing the class, or (B) adjudications with respect to individual members of the class which would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests; or (2) the party opposing the class has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole; or (3) the court finds that the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is superior to other available methods, for the fair and efficient adjudication of the controversy. The matters pertinent to the findings include:

members of the class may request to be excluded from the proceeding and thereby avoid being bound by a judgment against the class. No such option exists to members of a class in an action maintained under Rule 23(b)(1) or (2.)

We find that these actions meet the requirements of subdivisions (b)(1)(A), (b)(1)(B) and (b)(2) of new Rule 23 and qualify as class actions under each of those three alternative provisions. While the actions also qualify under the less stringent provisions of Rule 23(b)(3), they should not be treated as 23(b)(3) actions, where, to do so, would defeat the very objectives intended to be achieved by Rule 23(b)(1) and (2).

If the actions are classified as Section 23(b)(3) actions, members of the class may elect not to be included and thereby will not be bound by the judgment.

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(3) (Cont'd) (A) the interest of members of the class in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; (D) the difficulties likely to be encountered in the management of a class action."

This would permit the institution of separate litigation, thus unduly burdening the judicial system and directly contravening both the stated purpose of Rule 23(b)(1)(A) in protecting defendants against "inconsistent or varying adjudications with respect to individual members of the class which would establish incompatible standards of conduct for the party opposing the class" and the stated purpose of Rule 23(b)(1)(B) in protecting plaintiffs against "adjudications with respect to individual members of the class which as a practical matter would be dispositive of the interest of other members . . . or substantially impair or impede their ability to protect their interests."

It seems apparent that virtually every class action that meets the requirements of 23(b)(1) or 23(b)(2) will also meet the less severe requirements of 23(b)(3). However, where the stricter requirements of 23(b)(1) and 23(b)(2) are squarely presented by the plaintiffs' claims Rule 23(b)(3) is not applicable. The Advisory Committee recognized that Rule 23(b)(3) was designed for situations where class action treatment is not so clearly called for as in subdivisions (b)(1) and (b)(2) of Rule 23:

"Subdivision (b)(3). In the situation to which this subdivision relates, class-action treatment is not as clearly called for as in those described above, but it may nevertheless be convenient and desirable depending upon the particular facts." 39 F.R.D. at 102. (Emphasis supplied.)

In the present case all of the elements of 23(b)(1) and 23(b)(2) are met. To apply 23(b)(3) would run the serious risk of negating the very purpose for which those rules were promulgated. We hold that these actions must be maintained as a class action under Rule 23(b)(1) and (2), and not under Rule 23(b)(3).

Let an appropriate Order be submitted granting the relief sought herein.

U.S.D.J.

September 26, 1966

ORDER OF THE DISTRICT ON APPLICATION FOR RULE 23 ORDER

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

- x	ORDER
WILLIAM R. VAN GEMERT, et al.,	
Plaintiffs,	Action No. 1
-against-	
THE BOEING COMPANY, et al.,	66 Civ. 1820
Defendants.	
- x	
HAROLD M. WHITE, et al.,	Action No. 2
Plaintiffs,	
-against-	
THE BOEING COMPANY, et al.,	66 Civ. 2384
Defendants.	
- x	
GERTRUDE MC NAUGHT, et al.,	Action No. 3
Plaintiff,	
-against-	
THE BOEING COMPANY,	66 Civ. 2640
Defendant.	
- x	
LOUIS BERGLAS,	Action No. 4
Plaintiff,	

Order of the District on Application for Rule 23 Order

-against-

THE BOEING COMPANY, et al., 66 Civ. 2385

Defendants.

DR. JACK DIENER, Action No. 5

Plaintiff,

-against-

THE BOEING COMPANY, et al., 66 Civ. 3005

Defendants.

DENNIS J. FINN, Action No. 6

Plaintiff,

-against-

THE BOEING COMPANY, 66 Civ. 3054

Defendant.

BERTHA J. WINER, et al., Action No. 7

Plaintiffs,

-against-

THE BOEING COMPANY, 66 Civ. 2786

Defendant.

Order of the District on Application for Rule 23 Order

S. EDWARD MITTLER, etc.,	:	Action No. 8
Plaintiff,	:	
-against-	:	
THE BOEING COMPANY,	:	66 Civ.
Defendant.	:	
- -	x	

Defendants The Boeing Company and Thomas R. Wilcox on July 21, 1966 having moved this Court for an order pursuant to Rule 23(c)(1) of the Federal Rules of Civil Procedure determining that Action No. 1 is to be maintained as a class action under Rule 23(b)(1) and (2) for and on behalf of plaintiffs and all other holders of The Boeing Company 4 1/2% convertible subordinated debentures who are similarly situated, and

This Court, on July 21, 1966, having entered an order directing that all present and former holders of The Boeing Company (formerly Boeing Airplane Company) 4 1/2% convertible subordinated debentures, due July 1, 1980 and called for redemption on April 8, 1966, whose debentures were not surrendered for conversion on or before March 29, 1966, show cause, before the Honorable Sylvester J. Ryan, Chief Judge of the United States District Court for the Southern District of New York in Room 129, of the United States Court House, Foley Square, New York, New York, on

Order of the District on Application for Rule 23 Order

September 6, 1966 at 10:30 a.m., (a) why an order should not be entered determining that Action No. 1 is to be maintained as a class action under Rule 23(b)(1) and (2) of the Federal Rules of Civil Procedure for and on behalf of the aforesaid class, (b) why said debentureholders should not be permitted to appear and intervene in Action No. 1 and present claims, if any, or (c) why said debentureholders should not be included in the class for and on whose behalf the action is maintained and in the final judgment in said action whether favorable to said class or not; and

The said order to show cause having further provided that service of a copy of the order to show cause and the affidavit of Henry L. King, sworn to on July 15, 1966, upon which it was granted be made on plaintiffs' attorneys of record in the following named actions, to wit: Harold M. White, et al. v. The Boeing Company, pending in the United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 66 C 977; Gertrude McNaught, et al. v. The Boeing Company, pending in the United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 66 C 979; Dr. Jack Diener v. The Boeing Company, pending in the United States District Court for the District of Columbia, Civil Action No. 1290-'66; Douglas W. MacMillan v. The Boeing Company, pending in Superior Court of the State of California

Order of the District on Application for Rule 23 Order

for the County of Los Angeles, No. 886 233; Dennis J. Finn v. The Boeing Company, pending in the Circuit Court of the Eleventh Judicial Circuit of Florida in and for Dade County, common law No. 66 L 2396, on or before July 26, 1966; and

The said order to show cause having further ordered that the aforesaid debentureholders and former debentureholders be given notice in the form annexed thereto (a) by direct mailing to those of the aforesaid debentureholders and former debentureholders whose addresses may be known to the defendants and (b) by publication twice a week for two successive weeks commencing not later than the week of July 25, 1966 in the national editions of The New York Times and of The Wall Street Journal; and

It having appeared from the affidavit of Robert F. Dobbin, Esq., sworn to on September 1, 1966, with exhibits annexed thereto, and from the affidavit of Leo Callari, sworn to September 2, 1966, that the said order to show cause and affidavit upon which said order was granted were served on plaintiffs' attorneys of record in the cases set forth above on July 26, 1966 and, in addition, upon the plaintiffs' attorneys of record on the dates specified in the following named actions commenced since July 21, 1966, to wit: Louis Berglas v. The Boeing Company, pending in the United States District Court for the Southern District of New York, 66 Civ. 2385, on

Order of the District on Application for Rule 23 Order August 4, 1966; Henry J. Hoff v. The Boeing Company, pending in the United States District Court for the District of Columbia, Civil Action No. 2084-'66, on August 12, 1966; S. Edward Mittler v. The Boeing Company, pending in the Eastern District of Pennsylvania, Civil Action 40542, on August 1, 1966; and Bertha J. Winer, et al. v. The Boeing Company, pending in the United States District Court for the Southern District of New York, 66 Civ. 2786, on September 2, 1966; thereby effecting service on plaintiffs' attorneys in all presently pending cases brought by or on behalf of present or former holders of the said debentures; and

It further appearing from the aforesaid affidavit of Robert F. Dobbin, Esq., that notice was given to the aforesaid debentureholders and former debentureholders in the form annexed to said order to show cause dated July 21, 1966 (a) by direct mailing to those of the aforesaid debentureholders and former debentureholders whose addresses are known to the defendants; and (b) by publication of the said notice in the national edition of The New York Times on July 27 and 29 and August 2 and 4, 1966 and in the national edition of The Wall Street Journal on July 26 and 28 and August 1 and 5, 1966; and

The said order to show cause having come on for a hearing before this Court on September 6, 1966,

Order of the District on Application for Rule 23 Order

NOW, upon reading and filing the aforesaid order to show cause dated July 21, 1966 and supporting affidavit of Henry L. King, Esq., sworn to July 15, 1966, the affidavit of Robert F. Dobbin, Esq., sworn to September 1, 1966, with exhibits annexed thereto, the affidavit of Leo Callari sworn to September 2, 1966, the memorandum of law of defendants The Boeing Company and Thomas R. Wilcox, the Special Appearance of Henry J. Hoff to Object to His Inclusion in a Class Represented by Plaintiffs with Objection by Henry J. Hoff to the Maintenance of the Action as a Class Action Wherein He would Be Deemed a Member of the Class Represented by Plaintiffs verified by Burton A. Schwalb on September 2, 1966 attached thereto, and the affidavit of S. Hazard Gillespie, sworn to on September 9, 1966 and upon all the other papers and proceedings had herein and upon hearing the arguments of Davis Polk Wardwell Sunderland & Kiendl (S. Hazard Gillespie, Esq., of counsel), attorneys for defendants Boeing and Wilcox; Matson, Kass, Goodkind & Wechsler (Stuart D. Wechsler, Esq., of counsel), attorneys for plaintiffs; Irving Steinman, Esq., attorney for Louis Berglass, all in support of the aforesaid motion, and, Havens, Wandless, Stitt & Tighe (Herbert W. Korbel, Esq., of counsel) and Arent, Fox, Kintner, Plotkin & Kahn (Burton A. Schwalb, Esq., of counsel), attorneys for Henry J. Hoff; Nathan, Mannheimer, Asche, Winer & Friedman

Order of the District on Application for Rule 23 Order

(Norman B. Winer, Esq., of counsel), attorneys for Bertha J. Winer; and William H. Manger, Esq., attorney for Albert J. Laun, all in opposition to the aforesaid motion and upon noting that the following attorneys entered their appearance herein and consented to grant of the relief sought by the aforesaid motion or voiced no opposition thereto; namely, Soloman A. Schlesinger, Esq., attorney for Frank Trinkoff; Abraham Lilienthal, Esq., attorney for Arthur Frisch; Samuel Lemler, Esq., attorney for Elsie Day; McClintock, Fulton, Donovan & Waterman (James I. McClintock, Esq., of counsel), attorneys for Marion S. Mitchell; Abraham E. Friedman, Esq., attorney for S. Edward Mittler; Danzansky & Dickey (Marshall E. Miller, Esq. and Bernard Gordon, Esq., of counsel), attorneys for Jack Diener; Foley & Martin (Thomas J. Duffson, Esq., of counsel), attorneys for E. Plocki; and Dewey, Ballantine, Bushby, Palmer & Wood (Everett I. Willis, Esq., of counsel), attorneys for The Chase Manhattan Bank, and upon noting the appearance of Mr. Henry S. Hale, appearing for Hannah Adler Hale and Mr. Leonard Marx, appearing for the estate of Regina Marx and upon, pursuant to the invitation of the Court, hearing the views of the Securities and Exchange Commission, by Walter North, Associate General Counsel and Joseph Daley, Chief, Enforcement Section of the New York Regional Office of the SEC, and due deliberation having been had thereon, and upon filing of the opinion of this Court, and

Order of the District on Application for Rule 23 Order

NOW, upon the motion of Davis Polk Wardwell Sunderland & Kiendl, attorneys for defendants The Boeing Company and Thomas R. Wilcox, it is hereby:

ORDERED that the above-entitled actions are to be maintained as a class action under Rule 23(b)(1) and (2) of the Federal Rules of Civil Procedure on behalf of a class comprised of plaintiffs and all other present and former holders of The Boeing Company (formerly Boeing Airplane Company) 4 1/2% convertible subordinated debentures due July 1, 1980 and called for redemption on April 8, 1966 whose debentures were not surrendered for conversion on or before March 29, 1966; and it is

FURTHER ORDERED that the above actions be and they hereby are consolidated pursuant to Rule 42(a) of Federal Rules of Civil Procedure for the conduct of all pretrial proceedings and for trial; and it is

FURTHER ORDERED that the present and former debentureholders described on the annexed schedule be permitted to appear, intervene and come into this consolidated action as party plaintiffs and the caption and complaint are deemed amended to include their names and respective holdings as set forth on the annexed schedule; and it is

Order of the District on Application for Rule 23 Order

FURTHER ORDERED that the judgment in the above-entitled action, whether or not favorable to the aforesaid class or any member thereof, shall include and describe all present and former holders of The Boeing Company 4 1/2% convertible subordinated debentures due July 1, 1980 and called for redemption on April 8, 1966 whose debentures were not surrendered for conversion on or before March 29, 1966.

Dated: New York, New York
October 4, 1966

H. Sylvester J. Ryan
U.S.D.J.

Name	State	Amount
Charles K. Davis	Mass.	$1,900
Andreal Holding Corp.	New York	10,000
Samuel A. Weiss	New York	500
Irwin L. Isert	New York	200
Jack Kirschner	New York	400
Charles Friedman	Conn.	500
H. Michael Albers	Penna.	10,000
Abraham Stern	New York	5,000
Edward Kempler	New York	1,400

Order of the District on Application for Rule 23 Order

Simeon A. Schloss, Jr.	No. Car.	500
Mary Jane Schloss Silverman	Penna.	300
Simeon A. Schloss, Jr., and Mary Jane Silverman, Trustees under the Last Will and Testament of Florette Schloss Wile	No. Car.	300
David M. Botsford	Calif.	3,000
Mrs. Samuel Lemler	New York	800
Louis Davis	New York	1,000
Mrs. Leonard C. Dill, Jr.	Penna.	200
Joseph Schlagman	New York	500
Natalie K. Wigler	New York	2,000
Ann Louise Diamond	New York	100
Samuel Chardavoyne	New York	1,100
William M. Jones	Illinois	500
Mr. & Mrs. H. Dieneman	Illinois	200
Milton Hart	New Jersey	200
Mary Levin	Pennsylvania	2,500
Frances Davis	Missouri	2,000
E. Julian Davis	Florida	3,700
Robert Lemlich	Ohio	100
Marcus Silver	Iowa	400
William J. Brown	Florida	5,000
H. B. Gallee	Washington	1900

DEMAND BY PLAINTIFF FOR ADMISSION (Filed February 16, 1972)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----------X

WILLIAM R. VAN GEMERT, et al., :
Plaintiffs, :
-against- :
THE BOEING COMPANY, et al., :
Defendants. :

----------X

66 Civ. 1820

REQUEST FOR ADMISSION OF FACTS

TO: DAVIS, POLK & WARDWELL, ESQS.
1 Chase Manhattan Plaza
New York, N. Y. 10005

Plaintiffs request that on or before March 3, 1972 defendant Boeing admit for the purpose of this action only the truth of the following matters of fact and with respect thereto that defendant respond fully in accordance with Rule 36 of the Federal Rules of Civil Procedure.

In the following paragraphs, the term "depositor's bank" means the bank in which the debenture-holder deposits his coupons either as cash or for collection; the term "collecting bank" means a bank other than the paying agent to which the depositor's bank may send the coupon for the purpose of receiving payment from the paying agent; and the term "the debenture" and the

Demand by Plaintiff for Admission

term "the debentures" refer to the Boeing 4-1/2% Convertible Debentures of July 1, 1980.

Unless otherwise stated Requests 1-11 inclusive refer to general financial practice throughout the United States.

1. Coupons detached from debentures are collected from the paying agent in one of three ways: a) by the holder's transmitting them directly to the paying agent or b) by the holder's depositing them in his bank and the depositor's bank collecting them directly from the paying agent or c) by the holder's depositing them in his bank and the depositor's bank collecting them through a collecting bank.

2. It is the general custom in banks throughout the United States to require the holder to enclose his coupons in envelopes of which the following are fair samples:

Demand by Plaintiff for Admission

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

Office

DEPOSITED BY

ACCOUNT NUMBER

KIND OF COUPONS ENCLOSED (Give name of Corporation and description of issue.)

DATE DUE	HOW MANY	VALUE OF EACH	TOTAL VALUES
		$	$
Enclose coupons of *ONE* issue only, together with ownership certificate, in this envelope; use an additional envelope for each issue.			
	TOTAL		$

COUPONS OF ISSUE — DUE —

DEPOSITOR'S NAME (PLEASE PRINT)

DEPOSITOR'S ADDRESS

COUPONS @ ¢		
COUPONS @ ¢		
COUPONS @ ¢		
TOTAL	$	

THIS ENVELOPE SHOULD CONTAIN ONLY COUPONS OF THE SAME ISSUE AND MATURITY

MANUFACTURERS HANOVER TRUST COMPANY

Demand by Plaintiff for Admission

STERLING NATIONAL BANK
& TRUST COMPANY OF NEW YORK

NAME OF COUPON_____ **PAYABLE AT**_____

ENCLOSE ONE KIND OF COUPON OF SAME ISSUE AND MATURITY IN THIS ENVELOPE

REMARKS:	NO.	EACH	AMOUNT
		$	$

RETURN UNPAID COUPONS IN THIS ENVELOPE — DUE — TOTAL $

IF COUPONS ARE OWNED BY DOMESTIC CORPORATION PLEASE SO STATE

NAME OF OWNER_____

LEGAL ADDRESS OF OWNER_____

IF DEPOSITOR IS OTHER THAN OWNER PLACE NAME HERE_____

EMIGRANT SAVINGS BANK
NEW YORK

ENCLOSE ONLY COUPONS OF ONE COMPANY IN THIS ENVELOPE

COUPONS OF THE_____

DATE DUE	HOW MANY	AMOUNT OF EACH	TOTAL
	TOTAL		

DEPOSITED BY_____

ADDRESS_____

ENV. 18

ACCT. NO._____

Demand by Plaintiff for Admission

3. The practice of New York City commercial banks, including specifically First National City Bank, Chase Manhattan Bank, Chemical Bank, Sterling National Bank and Federal Reserve Bank, whether acting as the depositor's bank or as a collecting bank, is to remove the coupons from the depositor's envelopes, to combine the coupons of a single issue into another envelope and to transmit the coupons to the paying agent; and these banks retain the depositor's envelopes for at least six months.

4. The practice of depositors' banks which are non-New York City banks, including specifically Central Penn National Bank and Continental Bank of Philadelphia and Fulton National Bank of Atlanta and the practice of New York City savings banks including Emigrant Savings Bank is to forward the depositor's envelopes directly to the paying agent if the bank has an account with the paying agent or to a collecting agent if the depositors' bank has no such account and to retain on Recordak or by other records copies of the information on the envelopes and such records are maintained for at least one year.

Demand by Plaintiff for Admission

5. It is standard procedure in depositors' banks to keep in some manner for at least six months a record of the name and address of the depositor of each coupon.

6. It is standard procedure in collecting banks to retain records of a) the names and addresses of all banks for which they have collected coupons, identifying the coupons collected for each and b) either the envelopes which have been transmitted to them for purposes of collection or a record thereof and in each case to retain the record for a period of at least six months.

7. It is standard procedure of paying agents to retain a) the depositors' envelopes transmitted to it or b) the collecting banks' envelopes transmitted to it or c) a record of the names and addresses of those to whom it made payment; or to retain two or all three of the foregoing and in each case for a period of at least six months.

8. Between February 28, 1966 and April 8, 1966 Chase Manhattan Bank was able to supply to Boeing:

Demand by Plaintiff for Admission

(a) the name and address of every holder of the debentures who received directly from Chase payment of the January, 1966 coupon;

(b) the name and address of every depositor's bank which received directly from Chase payment of the January 1, 1966 coupon for one or more holders of the debentures;

(c) the name and address of every collecting bank which received from Chase payment of the January 1, 1966 coupon for one or more holders of the debentures or for such holders' depositor's bank.

9. Between February 28, 1966 and April 8, 1966 each depositor's bank was able to supply to Boeing the name and address of each person who deposited with it as cash or for collection the January 1, 1966 coupon detached from the debenture.

10. Between February 28, 1966 and April 8, 1966 each collecting bank was able to supply to Boeing:

(a) the name and address of each depositor's bank for which the collecting bank collected a January 1, 1966 coupon detached from the debenture; or

(b) the name and address of each person

depositing such a coupon with the depositor's bank; or

(c) both a) and b).

11. The information which Chase and the depositing banks and the collecting banks were able to supply as set forth in Paragraphs 8, 9 and 10 above could have been supplied to Boeing promptly upon request. (If it is admitted that such information could have been supplied and it is believed that some time would have been required to do so, it is requested that the admission be qualified by an estimate of the time required to obtain the information).

12. That Boeing did not issue any general publicity release, as that term is defined in Section A-10 of the New York Stock Exchange Company manual, concerning the call of the debentures during the period from March 1 through March 24, 1966.

Demand by Plaintiff for Admission

Dated: February 18, 1972

NATHAN, MANNHEIMER, ASCHE, WINER & FRIEDMAN

By _____

295 Madison Avenue
New York, New York 10017
Telephone 683-1771

KASS, GOODKIND, WECHSLER & GERSTEIN

By _____

122 East 42nd Street
New York, New York 10017
Telephone 867-8570

_____

IRVING STEINMAN, ESQ.
11 Park Place
New York, New York 10007
Telephone 227-4448

RESPONSE BY DEFENDANTS TO DEMAND FOR ADMISSIONS
(Filed March 3, 1972)

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

WILLIAM R. VAN GEMERT, et al.,	:	
Plaintiffs,	:	66 Civ. 1820
-against-	:	DEFENDANTS' RESPONSE TO PLAINTIFFS' REQUEST FOR ADMISSIONS
THE BOEING COMPANY, et al.,	:	
Defendants.	:	

Defendants The Boeing Company and Thomas R. Wilcox, by their attorneys, Davis Polk & Wardwell, in response to plaintiffs' Request for Admissions set forth the following for purposes of this action only and reserve all objections with respect to the relevancy and materiality thereof for trial:

Request 1

> Coupons detached from debentures are collected from the paying agent in one of three ways: a) by the holder's transmitting them directly to the paying agent or b) by the holder's depositing them in his bank and the depositor's bank collecting them directly from the paying agent or c) by the holder's depositing them in his bank and the depositor's bank collecting them through a collecting bank.

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny the matters set forth in Request No. 1.

Request 2

> It is the general custom in banks throughout the United States to require the holder to enclose his coupons in envelopes....

Response

Defendants lack information or knowledge as to the general custom in banks through out the United States; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny such matter. Defendants admit that it is the present custom of the following New York City banks to require the holder to enclose his coupons in envelopes of which the samples set forth in Request No. 2 are fair samples: Morgan Guaranty Trust Company of New York, Manufacturers Hanover Trust Company, Sterling National Bank & Trust Company of New York, and Emigrant Savings Bank of New York.

Request 3

> The practice of New York City commercial banks, including specifically First National City Bank, Chase Manhattan Bank, Chemical Bank, Sterling National Bank and Federal Reserve Bank, whether acting as the depositor's bank or as a collecting bank, is to remove the coupons from the depositor's envelopes, to combine the coupons of a single issue into another envelope and to transmit the coupons to the paying agent; and these banks retain the depositor's envelopes for at least six months.

Response

Defendants admit that the practice specified in Request No. 3 is the present practice of the following New York City banks: First National City Bank, Chase Manhattan Bank, Chemical Bank, Sterling National Bank and Federal Reserve Bank. Defendants lack information or knowledge as to the practice of other New York City commercial banks;

defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny such matter.

Request 4

> The practice of depositors' banks which are non-New York City banks, including specifically Central Penn National Bank and Continental Bank of Philadelphia and Fulton National Bank of Atlanta and the practice of New York City savings banks including Emigrant Savings Bank is to forward the depositor's envelopes directly to the paying agent if the bank has an account with the paying agent or to a collecting agent if the depositors' bank has no such account and to retain on Recordak or by other records copies of the information on the envelopes and such records are maintained for at least one year.

Response

Defendants admit that the practice specified in Request No. 4 is the present practice of the following non-New York City banks: Central Penn National Bank and Continental Bank of Philadelphia and Fulton National Bank of Atlanta; and also the Emigrant Savings Bank of New York. Defendants lack information or knowledge as to the practice of other non-New York City banks and the practice of other New York City savings banks; defendants have made reasonable inquiry and the information known to or readily obtainable by them is sufficient to enable them to admit or deny such matter.

Request 5

> It is standard procedure in depositors' banks to keep in some manner for at least six months a record of the name and address of the depositor of each coupon.

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States as

to the procedure specified in Request No. 5; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny such matter.

Request 6

It is standard procedure in collecting banks to retain records of a) the names and addresses of all banks for which they have collected coupons, identifying the coupons collected for each and b) either the envelopes which have been transmitted to them for purposes of collection or a record thereof and in each case to retain the record for a period of at least six months.

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States as to the procedure specified in Request No. 6; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny such matter.

Request 7

It is standard procedure of paying agents to retain a) the depositors' envelopes transmitted to it or b) the collecting banks' envelopes transmitted to it or c) a record of the names and addresses of those to whom it made payment; or to retain two or all three of the foregoing and in each case for a period of at least six months.

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States as to the procedure specified in Request No. 7; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny such matter.

Request 8

Between February 28, 1966 and April 8, 1966 Chase Manhattan Bank was able to supply to Boeing:

(a) the name and address of every holder of the debentures who received directly from Chase payment of the January, 1966 coupon;

(b) the name and address of every depositor's bank which received directly from Chase payment of the January 1, 1966 coupon for one or more holders of the debentures;

(c) the name and address of every collecting bank which received from Chase payment of the January 1, 1966 coupon for one or more holders of the debentures or for such holders' depositor's bank.

Response

Admitted.

Request 9

Between February 28, 1966 and April 8, 1966 each depositor's bank was able to supply to Boeing the name and address of each person who deposited with it as cash or for collection the January 1, 1966 coupon detached from the debenture.

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny the matters set forth in Request No. 9.

Request 10

Between February 28, 1966 and April 8, 1966 each collecting bank was able to supply to Boeing:

(a) the name and address of each depositor's bank for which the collecting bank collected a January 1, 1966 coupon detached from the debenture; or

(b) the name and address of each person depositing such a coupon with the depositor's bank; or

(c) both (a) and (b).

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny the matters set forth in Request No. 10.

Request 11

> The information which Chase and the depositing banks and the collecting banks were able to supply as set forth in Paragraphs 8, 9 and 10 above could have been supplied to Boeing promptly upon request. (If it is admitted that such information could have been supplied and it is believed that some time would have been required to do so, it is requested that the admission be qualified by an estimate of the time required to obtain the information).

Response

Defendants lack information or knowledge as to the general financial practice throughout the United States; defendants have made reasonable inquiry and the information known to or readily obtainable by them is insufficient to enable them to admit or deny the matters set forth in Request No. 11.

Request 12

> That Boeing did not issue any general publicity release, as that term is defined in Section A-10 of the New York Stock Exchange Company manual, concerning the call of the debentures during the period from March 1, through March 24, 1966.

Response

Admitted.

Dated: New York, New York
March 2, 1972

DAVIS POLK & WARDWELL

By S/ John J. McAtee

A Member of the Firm
1 Chase Manhattan Plaza
New York, New York 10005
Telephone: 422-3400

PERKINS, COIE, STONE,
OLSEN & WILLIAMS

By S/ David R. Wagoner JJ. McA.

A Member of the Firm
1900 Washington Building
Seattle, Washington 98101
Telephone: 206-682-8770

Attorneys for The Boeing Company and Thomas R. Wilcox, Defendants.

- x

WILLIAM A. VAN GEMERT, et al.,

Plaintiffs,

-against-

THE BOEING COMPANY, et al.,

Defendants.

66 Civ. 1820

DEFENDANTS' REQUEST FOR ADMISSIONS PURSUANT TO RULE 36 F.R. CIV. PROC.

- x

S I R S:

PLEASE TAKE NOTICE that pursuant to Rule 36 of the Federal Rules of Civil Procedure, defendants hereby request plaintiffs to make the following admissions for the purpose of this action only on or before March 3, 1972 in accordance with the order of Judge Sylvester J. Ryan of this Court.

1. That each of the following documents exhibited with this Request is genuine and that the matters contained therein are true:

1.1: Notices carried on the New York Stock Exchange Ticker on March 8, 23, 24, 25, 26 and 28, 1966.

1.2: New York Stock Exchange Bulletin:

March 11, 1966 p. 3902
March 18, 1966 p. 3903
March 25, 1966 p. 3904

1.3: The Commercial and Financial Chronicle:

March 14, 1966 p. 1056
March 14, 1966 p. 1097
March 21, 1966 p. 1193
March 28, 1966 p. 1289

1.4: Standard & Poor's Bond Outlook

March 19, 1966, pp. 885-886.

1.5: Standard & Poor's Called Bond Record:

March 9, 1966 p. 515
March 9, 1966 p. 3
March 11, 1966 p. 1 (Index)
March 11, 1966 p. 520
March 18, 1966 p. 1 (Index)
March 18, 1966 pp.512-513
March 25, 1966 p. 1 (Index)
March 25, 1966 p. 508

1.6: Moody's Industrials, March 11, 1966, p. 1419.

1.7: Article appearing in the Seattle Post Intelligencer, March 25, 1966.

1.8: Article appearing in The Seattle Times, March 27, 1966, p. 45.

1.9: Financial World, March 23, 1966, p. 8.

2. That as of the dates indicated, the news seryices and publications listed in Request 1 above had the following subscribers or circulation as the case may be:

2.1: As of the end of 1965, 649 member firms of the New York Stock Exchange received stock ticker information and those firms had 3,521 branch offices receiving such information.

2.2: As of 1966 the New York Stock Exchange Bulletin was circulated without charge to all 1,366 members of the New York Stock Exchange and approximately 4,500 non-members also received and paid for the Bulletin.

2.3: As of 1966 The Commercial and Financial Chronicle had a circulation of approximately 8,900.

2.4: As of 1966 Standard & Poor's Bond Outlook had a circulation of approximately 1,566.

2.5: As of 1966 Standard & Poor's Called Bond Record had a circulation of approximately 1,481.

2.6: As of 1966 Moody's Industrials had a circulation of approximately 9,955.

2.7: As of 1966 the Seattle Post Intelligencer had a circulation of approximately 201,194.

2.8: As of 1966 The Seattle Times had a circulation of approximately 237,853.

2.9: As of 1966 Financial World had a circulation of approximately 68,431.

3. Exhibited hereto as Exhibits 3.1 and 3.2 respectively are the bond tables as published in The New York Times on March 10, 1966 and the eastern edition of The Wall Street Journal on March 10, 1966 showing the call of the debentures for redemption. These bond tables are representative of the bond tables referred to in Request 4 below.

4. That each of the following newspapers, all of which were in 1966, except for those marked with an asterisk, among the 141 newspapers with the largest daily circulation in the United States, published bond tables on the dates indicated showing the call of the debentures for redemption:

Newspaper	Dates Call Indicated	Circulation
Baltimore Sun	3/10-29/66	395,297
Buffalo Evening News	3/26/66	283,694
Chicago Tribune	3/10-29/66	844,602
Chicago Daily News	3/9/66	469,688
Chicago Sun Times	3/10/66; 3/28/66	534,298
Cincinnati Enquirer	3/10/66; 3/29/66	193,504
Cleveland Plain Dealer	3/10/66; 3/29/66	376,813
*Colorado Springs Gazette & Telegraph	3/13/66 3/20/66 3/27/66	75,411
Des Moines Register	3/10/66; 3/29/66	241,258
Los Angeles Herald-Examiner	3/9/66; 3/28/66	719,704
Louisville Courier-Journal	3/29/66	232,913
Miami Herald & News	3/10/66	381,602
New Haven Journal-Courier	3/10/66; 3/29/66	104,472
New Orleans Times-Picayune	3/10/66-3/28/66	196,302
New York Herald-Tribune	3/10/66-3/28/66	331,341
New York Times	3/10/66-3/29/66	725,480
New York World Telegram	3/9/66-3/28/66	402,733
Newark News	3/9/66-3/29/66	283,612
Oklahoma City Daily Oklahoman	3/10/66; 3/28/66	181,133
Omaha World Herald	3/10/66; 3/29/66	258,300
Philadelphia Bulletin	3/24/66; 3/25/66	685,121
Philadelphia Inquirer	3/10/66; 3/28/66	522,536

Newspaper	Dates Call Indicated	Circulation
Phoenix Republican	3/10/66; 3/28/66	163,381
San Diego Union and Tribune	3/11/66-3/29/66	240,507
St. Louis Post-Dispatch	3/9/66	364,118
St. Petersburg Times	3/10/66; 3/29/66	151,913
Tampa Tribune	3/28/66	168,047
The Wall Street Journal (all editions)	3/10/66-3/29/66	965,838
Washington Post	3/10/66-3/29/66	455,747
Washington Star	3/9/66-3/28/66	309,329

5. None of the following newspapers, each of which in 1966, except those marked with an asterisk, was among the 141 newspapers with the largest daily circulation in the United States; published any account or story whatsoever based on the March 25, 1966 Boeing press release, which is Exhibit 50 to the Agreed State of Facts:

Newspaper	1966 Circulation
*Albany Knickerbocker News	55,651
*Albuquerque Journal	59,878
Atlanta Constitution	210,668
Baltimore Sun	395,297
Birmingham News	180,524
Buffalo Evening News	283,694
Charlotte Observer News	173,974
Chicago Daily News	469,688
Chicago Sun Times	534,298
Chicago Tribune	844,602
Cincinnati Enquirer	193,504

Newspaper	1966 Circulation
Cleveland Plain Dealer	376,813
*Colorado Springs Gazette & Telegraph	75,411
Columbus Dispatch	220,980
Dallas News	229,406
Denver Post	252,143
Des Moines Register	241,258
Detroit Free Press	510,221
Detroit News	693,972
Hartford Times	134,041
Honolulu Star Bulletin	112,293
Houston Post	270,214
Indianapolis Star	228,606
Kansas City Star	341,983
Los Angeles Herald-Examiner	719,704
Louisville Courier-Journal	232,913
Memphis Commercial-Appeal	223,416
Miami Herald	381,602
Milwaukee Journal	373,166
Minneapolis Star	287,211
Minneapolis Tribune	233,189
Nashville Banner	98,089
Nashville Tennessean	139,323
Newark News	283,612
New Haven Journal-Courier	104,472
New Orleans Times Picayune	196,302
New York Herald Tribune	331,341
New York Journal American	546,015
New York World Telegram	402,733

Newspaper	1966 Circulation
Oklahoma City Daily Oklahoman	181,133
Omaha World Herald	258,300
Philadelphia Bulletin	685,121
Philadelphia Inquirer	522,536
Phoenix Republican	163,381
Pittsburgh Post-Gazette	247,544
Portland Oregonian	246,076
Portland Oregon Journal	147,566
Richmond Times Dispatch	152,792
Rochester Democrat Chronicle	139,262
*Sacramento Union	69,216
St. Louis Post-Dispatch	364,118
St. Paul Pioneer Press	102,303
St. Petersburg Times	151,913
Salt Lake City Desert News	89,688
San Diego Union and Tribune	240,507
*San Francisco Daily Commercial	4,125
Seattle Post-Intelligencer	201,194
Spokane Spokesman Review	88,539
Tampa Tribune	168,047
The New York Times	725,480
The Seattle Times	237,853
The Wall Street Journal (Eastern Edition)	435,094
*Tuscon Citizen	43,301
Washington D.C. Post	455,747
Washington D.C. Star	309,329
Wilmington Journal	86,943

6. That each of the following documents exhibited with this Request is genuine and that the matters contained therein are true:

6.1: Letter from Holman, Marion, Perkins, Coie & Stone to The Boeing Company dated April 25, 1966.

6.2: Letter from Davis Polk Wardwell Sunderland & Kiendl to The Boeing Company dated April 27, 1966.

6.3: Letter from Dewey, Ballantine, Bushby, Palmer & Wood to The Chase Manhattan Bank dated June 10, 1966.

6.4: Letter from The Chase Manhattan Bank to Edmund L. Jones, Hogan & Hartson, dated June 14, 1966.

7. The type of notice provided in the Indenture for a call of the debentures for redemption is typical of the notice provisions that were customarily being used in other indentures for convertible debentures which were issued during the period 1958 to 1966 and which had a call provision.

Dated: New York, New York
February 18, 1972

DAVIS POLK & WARDWELL

By_____
(A Member of the Firm)

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and Thomas R. Wilcox
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GERSTEIN
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New York, New York

PLAINTIFFS' ATTORNEYS COMMITTEE

EXHIBITS ANNEXED TO FOREGOING DEFENDANTS' REQUEST FOR ADMISSIONS

NEW YORK STOCK EXCHANGE
Department of Stock List No. B-6557

NOTICE TO BE PRINTED ON TICKER MARCH 8, 1966

Effectively immediately DOUGLAS AIRPLANE COMPANY 4 1/2% Convertible Subordinated Debentures due July 1, 1990 shall be dealt in as called debentures, notice having been received of a call for redemption on April 8, 1966, at 103.25% of par plus accrued interest.

Conversion privilege expires at close of business on March 29, 1966.

Ticker Symbol: DA Cv Cld

Approved by: QLR

EXHIBIT 1.1

NOTICE TO BE PRINTED ON STOCK AND BOND TICKERS BEFORE THE OPEN... AND AFTER THE CLOSE ON MARCH 23, 1966.

Boeing Airplane Co., 4 1/2% Convertible Subordinated Debentures, due 1980, has been called for redemption on April 8, 1966. The conversion privilege expires at the close of business on March 29, and dealings in these Debentures will be suspended before the opening on March 29, 1966.

All transactions in these Debentures on March 24, 25 & 28, 1966 shall be for "Cash."

NOTICE TO BE PRINTED ON STOCK AND BOND TICKERS BEFORE THE OPENING ON MARCH 24, 25 & 28, 1966.

Boeing Airplane Co., 4 1/2% Convertible Subordinated Debentures, due 1980, has been called for redemption on April 8, 1966. The conversion privilege expires at the close of business on March 29, and dealings in these Debentures will be suspended before the opening on March 29, 1966.

All transactions today in these Debentures shall be for "Cash."

T. E. Jones

TEJ:rbg
cc: R. Dall
B. Scott Price
W. Grissey
H. DeBlaykar
Floor Operations
H. Glock
G. Hunter
H. W. Trollinger
G. LaRoe
S. McGirr
J. O'Reilly
S. Schaffler
D. Soloder
File

United Utilities, Inc.	Mar. 3	Apr. 5
Universal American Corp.	Mar. 15	Apr. 26
Universal Match Corp.	Mar. 2	Apr. 20
Universal Oil Products Co.	Apr. 4	May 10
Upjohn Co.	Apr. 6	May 17
Valley Mould & Iron Corp.	Mar. 15	Apr. 15
Van Raalte Co., Inc.	Mar. 29	Apr. 28
Vanadium Corp. of America	Mar. 15	Apr. 21
Vender-Rent Inc.	Mar. 7	Apr. 19
*Vendo Co.	Mar. 3	Apr. 19
Victor Comptometer Corp.	Apr. 11	May 18
Virginia Electric & Power Co.	Mar. 2	Apr. 20
Von's Grocery Co.	√ Mar. 1	Apr. 7
134Vornado, Inc., (Delaware)	√ Feb. 18	Mar. 22
Vulcan Materials Co.	Mar. 8	Apr. 21
Wagner ElectricCorp.	√ Feb. 9	Mar. 21
162Wallace-Murray Corp.	Mar. 15	Apr. 28
*Wallace & Tiernan Inc.	Mar. 17	May 4
Walworth Co.	√ Feb. 3	Mar. 23
Ward Foods, Inc.	Mar. 14	Apr. 20
Warner Brothers Co.	Feb. 18	Apr. 11
Warner Co.	√ Feb. 11	Mar. 28
Warner & Swasey Co.	√ Feb. 25	Mar. 22
Warren, (S. D.) Co.	√ Feb. 4	Mar. 28
Washington Gas Light Co.	√ Feb. 11	Mar. 28
Wayne Knitting Mills	Mar. 8	Apr. 8
Webb, (Del. E.) Corp.	Mar. 15	Apr. 30
Weis Markets, Inc.	Mar. 4	Apr. 5
Welch Scientific Co.	Mar. 15	Apr. 21
Wesco Financial Corp.	Mar. 1	Apr. 19
West Penn Power Co.	Mar. 18	Apr. 20
West Virginia Pulp & Paper Co.	√ Feb. 7	Mar. 22
Western Air Lines, Inc.	Mar. 11	Apr. 28
Western Bancorporation	√ Feb. 4	Mar. 24
*Western Pacific Railroad Co.	May 10	June 29
Western Union Telegraph Co.	Mar. 4	Apr. 13
167Westinghouse Air Brake Co.	√ Feb. 17	Apr. 7
168Westinghouse Electric Corp.	X—2 Feb. 7	Apr. 6
Weyerhaeuser Co.	Feb. 25	Apr. 14
*Wheeling & Lake Erie Railway Co.	Apr. 25	May 25
Wheeling Steel Corp.	Mar. 11	Apr. 29
Whirlpool Corp.	Mar. 11	Apr. 27
White, (S. S.) Company	Feb. 25	Apr. 5
White Consolidated Industries, Inc.	Mar. 28	May 3
White Motor Corp.	Mar. 26	Apr. 30
White Stores, Inc.	Mar. 16	Apr. 29
Wisconsin Electric Power Co.	√ Mar. 11	Apr. 20
139Wisc Chemical Co., Inc.	X Feb. 28	Mar. 18
129Wolverine Shoe & Tanning Corp.	Mar. 18	Apr. 28
Womsco Enterprises, Inc., Class A	Mar. 10	Apr. 15
Woodward Iron Co.	Feb. 28	Apr. 19
Worthington Corp.	Mar. 4	Apr. 21
Wrigley, (Wm.) Jr. Co.	√ Feb. 18	Mar. 22
Wyandotte Worsted Co.	√ Feb. 28	Mar. 28
Xerox Corp.	Apr. 1	May 19
Youngstown Sheet & Tube Co.	Mar. 11	Apr. 26
Youngstown Steel Door Co.	Mar. 11	Apr. 30
182Zenith Radio Corp.	Mar. 9	Apr. 26

Inquiries with respect to voting of proxies by Members, pursuant to Rule 452 of the Board of Governors, should be made to the Department of Stock List. Telephone Number HAnover 2-4200, Extension 480

CONSENT OF DEBENTURE HOLDERS

‡ Eastern Stainless Steel Corp.
5½% Cv. Sub. Debs., 1973

‡ Notice dated November 19, 1965, mailed to debenture holders for the purpose of obtaining their consent to certain modifications of indenture dated November 15, 1958. Consents should be mailed to Eastern Stainless Steel Corporation, Attention of Treasurer, P. O. Box 1975, Baltimore, Maryland 21203, promptly. (May not execute consents except on instructions from beneficial owners.)

RIGHTS TO SUBSCRIBE

	Record	Settlement	Priv. Expires
*12Celanese Corp. of America	Mar. 10	Mar. 17	Mar. 29
30Massey-Ferguson Ltd.	Mar. 11	..	Mar. 31
*21Stauffer Chemical Co.	Mar. 18	..	Apr. 4

COMPANIES CLOSING STOCK TRANSFER BOOKS

	Close	Reopen	Purpose
Kansas City Southern Industries, Inc.	Apr. 1	May 4	Meeting
do pfd.	Apr. 1	May 4	Meeting
Southern Railway Co., (M. & O. Stk. Tr.)	Mar. 15	Apr. 4	Dividend

DRAWING FOR REDEMPTION

	Record	Reopen	Redemption
*28Colorado Fuel & Iron Corp., 5½% pfd. B	Mar. 8	Mar. 14	Apr. 15
25St. Louis-San Francisco Ry. Co., pfd. A, 5%	Feb. 4	..	Mar. 16

DUE-BILLS

	Deliveries After	Ex-rights or Ex-distribution	Due-Bills Redeemable
*16 Abacus Fund, Inc.	Mar. 17	..	..
23American Ship Building Co., (Stk. Dist.)	Mar. 1	Apr. 11	Apr. 14
9 Ashland Oil & Refining Co., (Stk. Dist.)	Feb. 14	Mar. 21	Mar. 24
*20 Bausch & Lomb Inc., (Stk. Dist.)	Mar. 17	..	..
15 Carpenter Steel Co.	Mar. 25	Apr. 18	Apr. 21
*12 Celanese Corp. of America, (Rts.)	Mar. 10	Mar. 14	Mar. 17
*2 Hoover Ball & Bearing Co.	Mar. 9	Apr. 1	Apr. 6
30 Massey-Ferguson Ltd.	Mar. 11	..	..
31 New York Air Brake Co.	Mar. 16	..	..
*8 Rex Chainbelt Inc.	Mar. 22	..	..
17 Schlumberger, (Stk. Dist.)	Mar. 10	Mar. 29	Apr. 1
*4 Shahmoon Industries, Inc.	Mar. 8	Mar. 21	Mar. 24
*21 Stauffer Chemical Co.	(See Note)	..	..
27 United Artists Corp., (Stk. Dist.)	Mar. 11	Mar. 31	Apr. 5

CONVERTIBLE SECURITIES CALLED FOR REDEMPTION

	Conversion Privilege Expires	Cash Trading Beginning	Security to be Suspended
*cBoeing Airplane Co., 4½% Cv. Sub. Debs., 1980	(at close) Mar. 29	Mar. 24	Mar. 29
aLaclede Gas Company, Pfd., Ser. A 4.32%, (Cv.)	(at close) Mar. 31	Mar. 28	Mar. 31
bMacAndrews & Forbes Co., 5% Cv. Sub. Debs., 1987	(at close) Mar. 30	Mar. 25	Mar. 30

Only "Cash" transactions are permitted in "Convertible Securities" beginning third business day before conversion privilege expires and such security will be suspended from dealings before the opening of trading on the date such privilege expires

a Redemption on April 15, 1966, all outstanding shares of Preferred Stock, Series A 4.32% (Cumulative Convertible) at $25.25 per share, plus accrued dividends of 4½¢ per share. Convertible into Common Stock at the rate of 1.65 shares.

b Redemption on March 30, 1966, all outstanding Debentures, at 104.75%, plus accrued interest. Convertible into Common Stock at the rate of $39 per share.

*c Redemption on April 8, 1966, all outstanding Debentures, at 103.25%, plus accrued interest. Convertible into Capital Stock at the rate of $50 per share.

Youngstown Sheet & Tube Co.	Mar. 11	Apr. 26
Youngstown Steel Door Co.	Mar. 11	Apr. 30
102Zenith Radio Corp.	Mar. 9	Apr. 26

Inquiries with respect to voting of proxies by Members, pursuant to Rule 452 of the Board of Governors, should be made to the Department of Stock List. Telephone Number HAnover 2-4200, Extension 488.

ELECTION CONTEST

Company as to which proxy solicitation material filed with the Exchange indicates that there is a counter-solicitation of proxies for the election of directors.

	Meeting
*Link-Belt Co.	Mar. 29

CONSENT OF DEBENTURE HOLDERS

‡ Eastern Stainless Steel Corp., 5% Cv Sub. Debs., 1973

‡ Notice dated November 19, 1965, mailed to debenture holders for the purpose of obtaining their consent to certain modifications of indenture dated November 15, 1958. Consents should be mailed to Eastern Stainless Steel Corporation, Attention of Treasurer, P. O. Box 1975, Baltimore, Maryland 21203, promptly. (May not execute consents except on instructions from beneficial owners.)

RIGHTS TO SUBSCRIBE

	Record	Settlement	Priv. Expires
12Celanese Corp. of America	Mar. 10	Mar. 17	Mar. 29
*30Massey-Ferguson Ltd.	Mar. 11	..	Mar. 31
21Stauffer Chemical Co.	Mar. 18	..	Apr. 4

COMPANIES CLOSING STOCK TRANSFER BOOKS

	Close	Reopen	Purpose
Kansas City Southern Industries, Inc.	Apr. 1	May 4	Meeting
do pfd.	Apr. 1	May 4	Meeting
Southern Railway Co., (M. & O. Stk. Tr.)	Mar. 15	Apr. 4	Dividend
*Tidewater Oil Co., $1.20 pfd	May 26	June 6	Redemption

DRAWING FOR REDEMPTION

	Record	Reopen	Redemption
28Colorado Fuel & Iron Corp., 5½% pfd. B	Mar. 8	Mar. 14	Apr. 15
*43Tidewater Oil Co., $1.20 pfd	May 26	June 6	July 11

DUE-BILLS

	Deliveries After	Ex-rights or Ex-distribution	Due-Bills Redeemable
*16 Abacus Fund, Inc.	Mar. 17	Apr. 1	Apr. 6
23 American Ship Building Co., (Stk. Dist.)	Mar. 1	Apr. 11	Apr. 14
9 Ashland Oil & Refining Co., (Stk. Dist.)	Feb. 14	Mar. 21	Mar. 24
*20 Bausch & Lomb, Inc. (Stk. Dist.)	Mar. 17	Apr. 11	Apr. 14
15 Carpenter Steel Co.	Mar. 25	Apr. 18	Apr. 21
*19 Crompton & Knowles Corp	Mar. 29	..	..
*39 Fluor Corp., Ltd.	Mar. 24	..	..
2 Hoover Ball & Bearing Co.	Mar. 9	Apr. 1	Apr. 6
*35 Koppers Co., Inc.	Mar. 29	..	..
*30 Massey-Ferguson Ltd.	Mar. 11	Mar. 16	Mar. 21
*31 New York Air Brake Co.	Mar. 16	Mar. 29	Apr. 1
*8 Rex Chainbelt Inc.	Mar. 22	Apr. 6	Apr. 12
17 Schlumberger, (Stk. Dist.)	Mar. 10	Mar. 29	Apr. 1
4 Shahmoon Industries, Inc.	Mar. 8	Mar. 21	Mar. 24
21 Stauffer Chemical Co.	(See Note)	..	..
27 United Artists Corp., (Stk. Dist.)	Mar. 11	Mar. 31	Apr. 5
*42 Veranda, Inc.	Mar. 28	..	..

CONVERTIBLE SECURITIES CALLED FOR REDEMPTION

	Conversion Privilege Expires	Cash Trading Beginning	Security to be Suspended
cBoeing Airplane Co., 4½% Cv. Sub. Debs., 1980	(at close) Mar. 29	Mar. 24	Mar. 29
aLaclede Gas Company, Pfd., Ser. A 4.32%, (Cv.)	(at close) Mar. 31	Mar. 28	Mar. 31
bMacAndrews & Forbes Co., 5% Cv. Sub. Debs., 1987	(at close) Mar. 30	Mar. 25	Mar. 29

Only "Cash" transactions are permitted in "Convertible Securities" beginning the third business day before conversion privilege expires and such security will be suspended from dealings before the opening of trading on the date such privilege expires.

a Redemption on April 15, 1966, all outstanding shares of Preferred Stock, Series A 4.32% (Cumulative Convertible) at $25.25 per share, plus accrued dividend of 4½¢ per share. Convertible into Common Stock at the rate of 1.65 shares.

b Redemption on March 30, 1966, all outstanding Debentures, at 104.75%, plus accrued interest. Convertible into Common Stock at the rate of $39 per share.

c Redemption on April 8, 1966, all outstanding Debentures, at 103.25%, plus accrued interest. Convertible into Capital Stock at the rate of $50 per share.

NOTES

* Additions to or changes in previous Bulletins.

1 Dates for closing in Washington, D. C. Books close at Federal Reserve Bank, New York, two days earlier.

2 Distribution on March 31, of ¼ share of Common Stock, $2 Par Value for each share of Common Stock, $2.50 Par Value held to effect a 5 for 4 split-up. Fractions will be paid in cash on the basis of $18 per ¼ share. (Members should notify National Bank of Detroit of their requirements prior to close on March 16.) Ex-distribution April 1. All certificates delivered after March 9, must be accompanied by Due-Bills. Due-Bills redeemable April 6. See Circulars S-16277 and S-16296.

*3 12¢ per share short-term capital gain dividend and $2.14 per share long-term capital gain dividend, payable optionally in cash or stock at election of stockholders. Price at which shares are to be issued will be on the basis of $21.17 per share. For further details see Notice dated February 15, mailed to stockholders, for manner in which options may be exercised.

4 Distribution on March 18, of 1 share of Common Stock, $1.25 Par Value for each share of Common Stock, $2.50 Par Value held to effect a 2 for 1 split-up. Ex-distribution March 21. All certificates delivered after March 8, must be accompanied by Due-Bills. Due-Bills redeemable March 24. See Circulars S-16268 and S-16295.

5 2% in Common Stock. Order Cards to be distributed on March 8 to purchase fractional interests prior to close on April 15, through The Chase Manhattan Bank. After April 15, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 22.)

6 5% in Capital Stock. Order Forms to be distributed to purchase or sell fractional interests prior to close on April 29, through United California Bank. After April 29, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 21.)

7 2% in Capital Stock. Order Cards to be distributed on March 17, to purchase fractional interests prior to close on April 7, through First National City Bank. After April 7, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 17.)

*8 Distribution on April 5, of 1 additional share of Capital Stock for each share held to effect a 2 for 1 split-up. Ex-distribution April 6. All certificates delivered after March 22, must be accompanied by Due-

20Massey-Ferguson Ltd.	Mar. 11	..	Mar. 31
*21Stauffer Chemical Co.	Mar. 18	Mar. 24	Apr. 4

COMPANIES CLOSING STOCK TRANSFER BOOKS

	Close	Reopen	Purpose
*Canadian Pacific Railway Co.	Apr. 12	May 5	Meeting
Kansas City Southern Industries, Inc.	Apr. 1	May 4	Meeting
do pfd.	Apr. 1	May 4	Meeting
Southern Railway Co., (M. & O. Stk. Tr.)	Mar. 15	Apr. 4	Dividend
Tidewater Oil Co., $1.20 pfd.	May 26	June 6	Redemption

DRAWING FOR REDEMPTION

	Record	Reopen	Redemption
28Colorado Fuel & Iron Corp., 5½% pfd. B	Mar. 8	Mar. 14	Apr. 15
13Tidewater Oil Co., $1.20 pfd.	May 26	June 6	July 11

DUE-BILLS

	Deliveries After	Ex-rights or Ex-distribution	Due-Bills Redeemable
16 Abacus Fund, Inc.	Mar. 17	Apr. 1	Apr. 6
23 American Ship Building Co.,(Stk. Dist.)	Mar. 1	Apr. 11	Apr. 14
20 Bausch & Lomb, Inc. (Stk. Dist.)	Mar. 17	Apr. 11	Apr. 14
15 Carpenter Steel Co.	Mar. 25	Apr. 18	Apr. 21
19 Crompton & Knowles Corp.	Mar. 29	..	..
*39 Fluor Corp., Ltd.	Mar. 24	Apr. 18	Apr. 21
*10 Hawaiian Telephone Co.	Apr. 4	..	..
2 Hoover Ball & Bearing Co.	Mar. 9	Apr. 1	Apr. 6
35 Koppers Co., Inc.	Mar. 29	..	..
31 New York Air Brake Co.	Mar. 16	Mar. 29	Apr. 1
*9 Reliance Elec. & Eng. Co.	Apr. 5	..	..
8 Rex Chainbelt Inc.	Mar. 22	Apr. 6	Apr. 12
17 Schlumberger, (Stk. Dist.)	Mar. 10	Mar. 29	Apr. 1
*21 Stauffer Chemical Co.	Mar. 18	Mar. 21	Mar. 24
*36 Talon, Inc.	Mar. 31	..	..
27 United Artists Corp., (Stk. Dist.)	Mar. 11	Mar. 31	Apr. 5
42 Vornado, Inc.	Mar. 28	..	..

CONVERTIBLE SECURITIES CALLED FOR REDEMPTION

	Conversion Privilege Expires	Cash Trading Beginning	Security to be Suspended
cBoeing Airplane Co., 4½% Cv. Sub. Debs., 1980	(at close) Mar. 29	Mar. 24	Mar. 29
aLaclede Gas Company, Pfd., Ser. A 4.32%, (Cv.)	(at close) Mar. 31	Mar. 28	Mar. 31
MacAndrews & Forbes Co., 5% Cv. Sub. Debs., 1987	(at close) Mar. 30	Mar. 25	Mar. 30

Only "Cash" transactions are permitted in "Convertible Securities" beginning the third business day before conversion privilege expires and such security will be suspended from dealings before the opening of trading on the date such privilege expires.

a Redemption on April 15, 1966, all outstanding shares of Preferred Stock, Series A 4.32% (Cumulative Convertible) at $25.25 per share, plus accrued dividend of 4½¢ per share. Convertible into Common Stock at the rate of 1.65 shares.

b Redemption on March 30, 1966, all outstanding Debentures, at 104.75%, plus accrued interest. Convertible into Common Stock at the rate of $39 per share.

c Redemption on April 8, 1966, all outstanding Debentures, at 103.25%, plus accrued interest. Convertible into Capital Stock at the rate of $50 per share.

NOTES

* Additions to or changes in previous Bulletins.

1 Dates for closing in Washington, D. C. Books close at Federal Reserve Bank, New York, two days earlier.

2 Distribution on March 31, of ½ share of Common Stock, $5 Par Value, for each share of Common Stock, $2.50 Par Value, held to effect a 2 for 4 split-up. Fractions will be paid in cash on the basis of $[illegible] per ½ share. (Members should notify National Bank of Detroit of their requirements prior to close on March 16.) Ex-distribution April 4. All certificates delivered after March 9, must be accompanied by Due-Bills. Due-Bills redeemable April 6. See Circulars S-16[illegible] S-16296.

*3 2% in Common Stock. Purchase Forms to be distributed on April 4 to purchase fractional interests prior to close on May 4, through United California Bank. After May 5, fractional interests will be sold and cash proceeds distributed. Members should notify Agent of their requirements prior to close on April 25. (Subject to obtaining California Permit.)

*4 Transfer books closed permanently on March 15, 1966.

5 2% in Common Stock. Order Cards to be distributed on March 28 to purchase fractional interests prior to close on April 15, through The Chase Manhattan Bank. After April 15, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 22.)

*6 Dividend action will be taken at meeting of Board on March 29.

7 2% in Capital Stock. Order Cards to be distributed on March 28 to purchase fractional interests prior to close on April 7, through The National City Bank. After April 7, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 17.)

8 Distribution on April 5, of 1 additional share of Capital Stock for each share held to effect a 2 for 1 split-up. Ex-distribution April 4. All certificates delivered after March 22, must be accompanied by Due-Bills. Due-Bills redeemable April 12. See Circulars S-16[illegible] S-16320

*9 Distribution on May 17, of ½ additional share of Common Stock for each share held to effect a 3 for 2 split-up. Subject to stockholders approval at special meeting to be held on April 4, and filing of Certificate of Amendment on April 5. Order Forms to be distributed April 12, to purchase or sell fractional interests prior to close on May 3 through Cleveland Trust Company. After May 3, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on May 3.) Not ex-distribution until further notice. All certificates delivered after April 4 to be accompanied by Due-Bills. See Circular S-16329.

*10 Right to subscribe to 1 additional share of Common Stock for 16 shares held together with such additional shares as shall have been unsubscribed for by stockholders or employees (subject to allotment). Subject to registration under the Securities Act of 1933. Record Date will be April 4, or such later date as shall be one full business day preceding the date on which registration becomes effective. Not ex-rights until further notice. All certificates delivered after April 4 to be accompanied by Due-Bills. See Circular S-16328.

11 2% in Common Stock. Order Forms to be distributed on March 28 to purchase or sell fractional interests prior to close on April 20, through Empire Trust Company. After April 20, fractional interests will be sold and cash proceeds distributed. (Members should notify Agent of their requirements prior to close on March 24.)

12 Right to subscribe to 1 additional share of Common Stock for 8 shares held at $64 per share. (Common Stock issued on subscription will *not* be entitled to dividend payable to holders of record March 31.) Ex-rights March 14. All certificates delivered after March 14 to be accompanied by Due-Bills. Due-Bills redeemable March 17. See Circulars S-16276 and S-16303.

13 Drawing on May 26, of 40,917 (maximum) shares of $1.20 Cumulative Preferred Stock for redemption on July 11, 1966, at $25 per share.

Redemption Calls and Sinking Fund Notices

Below will be found a list of corporate bonds, notes and preferred stock called for redemption, including those called under sinking fund provisions. The date indicates the redemption or last day for mailing tenders, and the page number gives the location in the current volume (except where otherwise indicated in which the details were given in the Chronicle).

Company and Issue—	Date	Page
NOTICE OF TENDER		
Appalachian Gas & Water Co. 6½% debs. due April 1 1969	Apr 1	967
Bank of California Natl. Assn. (San Francisco) 5% series A conv. preferred stock	Jan 16	890
PARTIAL REDEMPTIONS		
Central Vermont Pub. Service Corp. 3¼% first mtge. bonds due 1977	Apr 1	1660
Commonwealth Edison Co. 3% first mtge. bonds due 1999	Apr 1	1067
Commonwealth Edison Co. 3¼% first mtge. bonds due 1999	Apr 1	1067
Consolidated Edison Co. of New York, Inc. 3¼% debentures due 1986	Apr 1	1067
Consolidated Natural Gas Co. 4¼% debentures due 1982	Apr 1	1067
Consumers Power Co. 4½% preferred stock	Apr 1	1067
Delaware Power & Light Co. 3¼% first mtge. bonds due 1977	Apr 1	1067
Detroit Edison Co. 3¼% first mtge. bonds due 1970	Apr 1	1067
Duquesne Light Co. 3¼% first mtge. bonds due 1977	Apr 1	1067
Equitable Gas Co. 4¼% first mtge. bonds due 1981	Apr 1	1067
Florida Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Gulf States Utilities Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Hackensack Water Co. 3¼% first mtge. bonds due 1977	Apr 1	1067
Illinois Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Kansas Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Kentucky Utilities Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Metropolitan Edison Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Mississippi Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Monongahela Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Montana Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
New England Electric System 3¼% debentures due 1978	Apr 1	1067
New England Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
New Orleans Public Service Inc. 3¼% first mtge. bonds due 1978	Apr 1	1067
Niagara Mohawk Power Corp. 3¼% first mtge. bonds due 1978	Apr 1	1067
Northern States Power Co. (Minn.) 3¼% first mtge. bonds due 1978	Apr 1	1067
Ohio Edison Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Pacific Gas & Electric Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Pacific Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Pennsylvania Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Philadelphia Electric Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Potomac Electric Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Public Service Co. of Colorado 3¼% first mtge. bonds due 1978	Apr 1	1067
Public Service Co. of New Hampshire 3¼% first mtge. bonds due 1978	Apr 1	1067
Public Service Electric & Gas Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Rochester Gas & Electric Corp. 3¼% first mtge. bonds due 1978	Apr 1	1067
Southern California Edison Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Southern Natural Gas Co. 4½% debentures due 1978	Apr 1	1067
Southwestern Electric Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Tampa Electric Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Texas Power & Light Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Toledo Edison Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Union Electric Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Virginia Electric & Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Washington Water Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
West Penn Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Wisconsin Electric Power Co. 3¼% first mtge. bonds due 1978	Apr 1	1067
Wisconsin Public Service Corp. 3¼% first mtge. bonds due 1978	Apr 1	1067
ENTIRE ISSUES CALLED		
Baker Laboratories, Inc. 6% conv. subord. debs. due Nov. 1, 1982	Jan 26	758
Food Fair Properties, Inc. 6% conv. subord. debentures due 1979	Apr 8	1068
Gulf Oil Corp. $4.50 conv. preferred stock	Apr 15	1067
Kansas Gas Co. series A preferred stock	Jan 15	1066
Mississippi River Fuel Corp. 2¾% debs. due 1970	Apr 1	1066
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series E, due 1974	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series F, due 1982	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series G, due 1986	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series H, due 1989	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series I, due 1990	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series J, due 1991	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series K, due 1992	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series L, due 1993	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series M, due 1994	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series N, due 1995	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series O, due 1996	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series P, due 1997	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series Q, due 1998	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series R, due 1999	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series S, due 2000	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series T, due 2001	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series U, due 2002	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series V, due 2003	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series W, due 2004	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series X, due 2005	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series Y, due 2006	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series Z, due 2007	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AA, due 2008	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BB, due 2009	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CC, due 2010	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DD, due 2011	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EE, due 2012	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FF, due 2013	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GG, due 2014	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HH, due 2015	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series II, due 2016	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJ, due 2017	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KK, due 2018	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LL, due 2019	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MM, due 2020	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NN, due 2021	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OO, due 2022	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PP, due 2023	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQ, due 2024	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RR, due 2025	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SS, due 2026	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TT, due 2027	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UU, due 2028	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VV, due 2029	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WW, due 2030	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XX, due 2031	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YY, due 2032	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZ, due 2033	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAA, due 2034	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBB, due 2035	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCC, due 2036	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDD, due 2037	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEE, due 2038	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFF, due 2039	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGG, due 2040	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHH, due 2041	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series III, due 2042	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJ, due 2043	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKK, due 2044	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLL, due 2045	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMM, due 2046	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNN, due 2047	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOO, due 2048	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPP, due 2049	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQ, due 2050	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRR, due 2051	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSS, due 2052	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTT, due 2053	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUU, due 2054	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVV, due 2055	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWW, due 2056	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXX, due 2057	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYY, due 2058	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZ, due 2059	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAA, due 2060	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBB, due 2061	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCC, due 2062	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDD, due 2063	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEE, due 2064	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFF, due 2065	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGG, due 2066	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHH, due 2067	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIII, due 2068	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJ, due 2069	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKK, due 2070	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLL, due 2071	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMM, due 2072	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNN, due 2073	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOO, due 2074	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPP, due 2075	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQ, due 2076	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRR, due 2077	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSS, due 2078	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTT, due 2079	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUU, due 2080	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVV, due 2081	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWW, due 2082	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXX, due 2083	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYY, due 2084	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZZ, due 2085	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAAA, due 2086	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBBB, due 2087	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCCC, due 2088	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDDD, due 2089	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEEE, due 2090	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFFF, due 2091	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGGG, due 2092	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHHH, due 2093	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIIII, due 2094	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJJ, due 2095	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKKK, due 2096	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLLL, due 2097	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMMM, due 2098	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNNN, due 2099	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOOO, due 2100	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPPP, due 2101	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQQ, due 2102	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRRR, due 2103	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSSS, due 2104	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTTT, due 2105	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUUU, due 2106	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVVV, due 2107	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWWW, due 2108	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXXX, due 2109	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYYY, due 2110	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZZZ, due 2111	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAAAA, due 2112	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBBBB, due 2113	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCCCC, due 2114	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDDDD, due 2115	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEEEE, due 2116	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFFFF, due 2117	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGGGG, due 2118	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHHHH, due 2119	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIIIII, due 2120	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJJJ, due 2121	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKKKK, due 2122	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLLLL, due 2123	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMMMM, due 2124	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNNNN, due 2125	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOOOO, due 2126	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPPPP, due 2127	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQQQ, due 2128	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRRRR, due 2129	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSSSS, due 2130	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTTTT, due 2131	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUUUU, due 2132	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVVVV, due 2133	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWWWW, due 2134	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXXXX, due 2135	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYYYY, due 2136	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZZZZ, due 2137	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAAAAA, due 2138	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBBBBB, due 2139	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCCCCC, due 2140	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDDDDD, due 2141	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEEEEE, due 2142	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFFFFF, due 2143	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGGGGG, due 2144	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHHHHH, due 2145	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIIIIII, due 2146	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJJJJ, due 2147	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKKKKK, due 2148	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLLLLL, due 2149	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMMMMM, due 2150	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNNNNN, due 2151	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOOOOO, due 2152	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPPPPP, due 2153	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQQQQ, due 2154	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRRRRR, due 2155	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSSSSS, due 2156	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTTTTT, due 2157	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUUUUU, due 2158	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVVVVV, due 2159	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWWWWW, due 2160	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXXXXX, due 2161	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYYYYY, due 2162	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZZZZZ, due 2163	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAAAAAA, due 2164	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBBBBBB, due 2165	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCCCCCC, due 2166	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDDDDDD, due 2167	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEEEEEE, due 2168	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFFFFFF, due 2169	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGGGGGG, due 2170	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHHHHHH, due 2171	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIIIIIII, due 2172	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJJJJJ, due 2173	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKKKKKK, due 2174	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLLLLLL, due 2175	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMMMMMM, due 2176	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNNNNNN, due 2177	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOOOOOO, due 2178	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPPPPPP, due 2179	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQQQQQ, due 2180	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRRRRRR, due 2181	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSSSSSS, due 2182	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTTTTTT, due 2183	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUUUUUU, due 2184	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVVVVVV, due 2185	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWWWWWW, due 2186	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXXXXXX, due 2187	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYYYYYY, due 2188	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series ZZZZZZZZ, due 2189	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series AAAAAAAAA, due 2190	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series BBBBBBBBB, due 2191	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series CCCCCCCCC, due 2192	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series DDDDDDDDD, due 2193	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series EEEEEEEEE, due 2194	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series FFFFFFFFF, due 2195	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series GGGGGGGGG, due 2196	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series HHHHHHHHH, due 2197	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series IIIIIIIII, due 2198	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series JJJJJJJJJ, due 2199	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series KKKKKKKKK, due 2200	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series LLLLLLLLL, due 2201	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series MMMMMMMMM, due 2202	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series NNNNNNNNN, due 2203	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series OOOOOOOOO, due 2204	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series PPPPPPPPP, due 2205	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series QQQQQQQQQ, due 2206	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series RRRRRRRRR, due 2207	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series SSSSSSSSS, due 2208	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series TTTTTTTTT, due 2209	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series UUUUUUUUU, due 2210	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series VVVVVVVVV, due 2211	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series WWWWWWWWW, due 2212	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series XXXXXXXXX, due 2213	Apr 30	*
Pacific Gas & Electric Co. 3¼% first mtge. & coll. trust bonds, series YYYYYYYYY, due

Federal Reserve Banks decreased $338 million and borrowing from others decreased $.97 million. Loans to domestic commercial banks increased $392 million.

CONDITION OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES*

	Mar. 16, 1966	Mar. 9, 1966	Mar. 17, 1965
		Incr. (+) Decr. (—)	
	—In millions of dollars—		
ASSETS—			
Total loans and investments	168,933	+2,419	+13,923
Loans and investments adjusted (1)	164,736	+2,461	+12,696
Loans adjusted (1)	118,634	+2,643	+14,623
Commercial and industrial loans	57,439	+1,202	+6,076
Agricultural loans	1,466	— 6	+ 370
Loans to banks and dealers for purchasing or carrying — U. S. Govt. securities	618	+ 126	— 326
Other securities	3,564	— 29	— 463
Loans to banks for purchasing or carrying—U. S. Govt. securities	96	— 1	+ 30
Other securities	2,196	— 5	+ 334
Loans to nonbank financial institutions — sales finance, personal finance, etc.	6,539	+ 1,077	+ 1,458
Other	9,671	+ 30	+ 628
Loans to foreign banks	1,031	— 10	— 10
Real estate loans	7,796	+ 17	+ 2,501
Other loans	20,114	+ 104	+ 1,154
Loans to domestic commercial banks	2,096	— 302	+ 520
U. S. Govt. securities—total	21,963	+ 137	— 3,560
Treasury bills	3,761	+ 168	— 909
Treas. certificates of indebtedness	301	+ 5	+ 521
Treasury notes and U. S. bonds maturing—within 1 year	2,811	— 6	— 811
1 to 5 years	9,292	+ 101	— 2,970
after 5 years	6,018	— 197	— 946
Other securities	23,199	+ 31	+ 1,420
Reserves with F. R. Bank	12,134	+ 560	+ 683
Currency and coin	2,068	+ 9	+ 130
Balances with domestic banks	3,151	+ 677	+ 183
Other assets—net	7,339	— 31	+ 1,052
Total assets/liabilities	213,668	+ 6,008	+ 17,357
LIABILITIES—			
Demand deposits adjusted (2)	61,442	+ 2,063	+ 3,031
Demand deposits—total (3)	102,326	+ 1,704	+ 6,002
Individuals, partnerships and corporations	74,121	+ 1,579	+ 5,295
States and political subdivisions	4,914	— 78	+ 383
U. S. Government	2,119	+ 1,841	— 1,630
Domestic interbank—commercial	12,944	+ 807	+ 980
Mutual savings	312	— 22	— 4
Foreign—Govts., official insts., etc	727	+ 24	+ 69
Commercial banks	1,349	+ 9	+ 130
Time and savings deposits—total (4)	70,707	— 233	+ 8,088
Individuals, partnerships and corporations—savings deposits	45,109	+ 0	+ 3,081
Other time deposits	23,012	— 246	+ 4,772
States and political subdivisions	1,629	+ 1	+ 1,345
Domestic interbank	843	+ 3	+ 114
Foreign—Govts., official insts., etc	1,069	— 3	+ 30
Commercial banks	707	— 6	— 69
Items Negotiable time CDs included above	4,206	— 397	+ 2,597
Borrowings—from F. R. banks	36	— 44	— 314
From others	4,615	— 697	+ 803
Other liabilities	8,168	+ 0	+ 1,518
CAPITAL ACCOUNTS	11,225	— 39	+ 1,388

(1) Exclusive of loans to domestic commercial banks and after deduction of valuation reserves. Individual loan items are shown gross.
(2) Includes on demand deposits except those of U. S. Government and domestic commercial banks, less cash items in process of collection.
(3) Includes certified and officers' checks not shown separately.
(4) Includes time deposits of U. S. Government and postal savings not shown separately.
*Preliminary (San Francisco District).
**Revised.

Redemption Calls and Sinking Fund Notices

Below will be found a list of corporate bonds, notes and preferred stock called for redemption, including those called under sinking fund provisions. The date indicates the redemption or last day for making tenders, and the page number gives the location in the current volume (except where otherwise indicated in which the details were given in the Chronicle).

Company and Issue—	Date	Page
NOTICE OF TENDER		
Pennsylvania Gas & Water Co 5½% debs. due Apr. 1, 1986	Apr 1	997
PARTIAL REDEMPTIONS		
Cooper Tire & Rubber Co 5½% sinking debentures due 1988	Apr 1	988
Lear Siegler, Inc. 5½% debentures due 1990	Apr 1	1097
Ling-Temco Electronics, Inc. 5½% conv. sub. debs. due 1990	Apr 1	1098
Lone Star Gas Co. 4¼% debentures due 1982	Apr 1	1098
Northern Illinois Gas & Electric Co. 3¼% first mtge. bonds due 1970	Apr 10	1194
Public Service Electric & Gas Co. 5% first pref. stock	Apr 1	1092
Southern Natural Gas Co. 5½% debentures due 1988	Apr 15	1195
Texas Eastern Transmission Corp. 5½% debentures due 1987	Apr 15	1195
Texas Gas Transmission Corp. 5½% first mtge. pipe line bonds due 1988	Apr 1	1197
Texas Illinois Natural Gas Pipeline Co. 5½% first mtge. pipe line bonds due 1988	Apr 1	1197
Texas Power & Light Co. 4½% first mtge. bonds due 1991	Apr 1	1197
Texas Utilities Co. 5½% debentures due 1987	Apr 1	1197
Tidewater Oil Co. 3¼% first mtge. bonds due 1986	Apr 1	1197
Transcontinental Gas Pipe Line Corp. 5½% first mtge. pipe line bonds due 1988	Apr 1	1198
Trunkline Gas Co. 5½% debentures due 1987	Apr 1	1198
Union Electric Co. 3½% first mtge. bonds due 1968	Apr 1	1198
Union Gas Co. of Canada Ltd. 5½% debentures due Apr. 1, 1985	Apr 1	1198
ENTIRE ISSUES CALLED		
Avco Corp. 5½% conv. sub. debentures due 1985	Apr 8	1098
Bell & Howell Co. 4½% conv. preferred stock	Apr 29	*
Colorado Gas Co. 4½% cumul. conv. preferred stock	Apr 15	993
Colorado Gas Co. series A preferred stock	Apr 15	1098
Consolidated Edison Co. of New York, Inc. 5% conv. subord. debs. due Feb. 1, 1987	May 20	1194
Del Mar Co. 6½% preferred stock	Jul 11	993
Duquesne Light Co. series A preferred stock	Apr 8	1197

Consolidated Statement of Condition Of the Twelve Federal Reserve Banks

(In millions of dollars)

	Mar. 23, 1966	Inc. (+) Dec. (—) Since Mar. 16, 1966	Since Mar. 24, 1965
ASSETS—			
Gold certificate account	11,502	— 164	+ 1,116
Redemption fund for F. R. notes	1,312	— 3	+ 165
Total gold certificate reserves	13,584	— 167	+ 1,081
Cash	392	+ 4	— 53
Discounts and advances	899	+ 365	+ 457
Acceptances			
Industrial loans	16	—	+ 21
U. S. Government securities	133	— 2	+ 19
Bought outright—			
Bills	9,021	+ 112	+2,767
Certificates	12	+ 11	+ 12
Notes	24,926	+ 5	— 178
Bonds	6,271	+ 10	+1,566
Total bought outright	40,330	+ 138	+2,779
Held under repurchase agreements		— 69	
Total U. S. Government securities	40,330	+ 119	+2,779
Total loans and securities	41,458	+ 542	+3,256
Cash items in process of collection	(1,768) 8,971	— 938	+1,795
Bank premises	102		
Other assets—net	848	+ 176	— 66
TOTAL ASSETS	(2,768) 63,842	— 187	+4,870
LIABILITIES			
Federal Reserve notes	(970) 30,481	— 90	+1,416
Deposits:			
Member bank reserves	18,888	+ 581	+1,694
U. S. Treasurer—general account	633	+ 205	— 249
Foreign	136	— 30	+ 16
Other—(2)	(111) 331	+ 30	+ 147
Total deposits	(111) 19,589	+ 787	+1,608
Deferred availability cash items	(1,637) 5,188	— 811	+ 656
Other liabilities and accrued dividends	193	—	+ 38
TOTAL LIABILITIES	(2,738) 61,431	— 214	+4,607
CAPITAL ACCOUNTS			
Capital paid in	849	+ 3	+ 28
Surplus	1,581	—	+ 77
Other capital accounts	980	+ 24	+ 158
TOTAL LIABIL. & CAPITAL ACCTS	(2,738) 63,843	— 187	+4,870
Ratio of gold certificate reserves to F. R. note liability (percentage from figures on line 3 above)	35.6%	— 0%	—3.8%
Contingent liability on acceptances purchased for foreign correspondents	139	+ 2	+ 3

*Figures in parentheses are the eliminations made in the consolidating process.
(1) Includes assets denominated in foreign currencies and 1311 gold revalued.
(2) Includes IMF gold deposit.

DIVIDENDS

Continued from page 12

Name of Company	Per Share	When Payable	Holders of Rec.
Public Fuel Co. (quar.)	12½c	6- 1	5-11
Public Service Co. (quar.)	15c	6- 1	5-15
Providence Washington Insurance Co. (R. I.) (quar.)	25c	3-31	3-18
Provident Fund for Income, Inc.			
From capital gains and from income	20c	5-20	3-14
Providence & Worcester R.R.	$2.50	6- 6	3-10
Public Serv. Co. of N. C. 4.60% pfd. (quar.)	29½c	4- 1	3-10
Pub. Serv. Co. of No. Carolina com. (quar.)	12c	6- 1	5-10
Public Serv. Co. of Colo. 4½ pfd. (quar.)	$1	6- 1	5-15
4½% pfd. (quar.)	$1.06	6- 1	5-15
Public Service Electric & Gas com. (quar.)	30½c	3-31	3-24
$1.40 dlv. pref. (quar.)	35c	3-31	3-10
4.08% pfd. (quar.)	$1.02	3-31	3-10
4.18% pfd. (quar.)	$1.04½	3-31	3-10
4.30% pfd. (quar.)	$1.07½	3-31	3-10
5.05% pfd. (quar.)	$1.26¼	3-31	3-10
5.28% pfd. (quar.)	$1.32	3-31	3-10
Puerto Rico Telephone (quar.)	62c	3-31	3- 4
Pulse Corp. com. (quar.)	10c	3-31	3- 9
$1.25 conv. pfd. (quar.)	31¼c	4- 1	3- 9
Puritan Fashions Corp. (quar.)	10c	4- 4	3-24
Purity Stores (quar.)	10c	4- 1	3-18
Pyle-National Co. com. (quar.)	30c	4- 1	3-11
Special	30c	4- 1	3-11
5% pfd. (quar.)	$1	4- 1	3-11
Pyramid Life Insurance Co. (Charlotte, N. C.)			
Quarterly	8c	3-10	3- 3
Quarterly	8c	6-15	6- 1
Quarterly	8c	11-16	11- 1
Quaker Oats Co. com. (quar.)	55c	4-30	3-24
6% pfd. (quar.)	$1.50	4-30	3-24
Quarterly Distribution Shares	8c	3-31	3-10
Quincy Mining (quar.)	25c	4-19	3-22
Extra	8c	4-19	3-22
R. & J. Beck Inc. Canada class A (quar.)	17½c	4- 1	3-11
Racine Hydraulics & Machinery (quar.)	12c	4- 7	3-18
Radio Corp. of America com. (quar.)	20c	4-25	3-16
$3.50 pfd. (quar.)	87½c	4- 2	3-10
$3.50 pfd. (quar.)	87½c	7- 1	6-15
Rainier Pulp & Paper Ltd. class A (quar.)	10c	4- 1	3-21
Ralston Purina Inc. (quar.)	12c	4-20	3-30
Rapid-Grip & Batten Ltd. (quar.)	15c	4- 1	3-11
6% pfd. (quar.)	75c	4- 1	3-11
Rayonier, Incorporated (incr. quar.)	75c	4- 1	3- 4
Reading & Bates Offshore Drilling Co. (quar.)	12½c	3-31	3-18
Class A (quar.)	9½c	3-31	3-18
Class A (quar.)	7½c	9-30	9-19
Ratio	12½c	12-30	12-19
Class A (quar.)	12½c	6-30	6-20
Class A (quar.)	12½c	9-30	9-20
Ratio	12½c	12-30	12-20
Stock dividend	5%	6-30	5- 6
Reading Industries, Inc. (quar.)	10c	5- 6	4-18
Real Estate Investment Trust of America	25c	4- 5	3-21
Real Estate Investment Trust of America	4½	4- 4	3-21
Real Estate Investment Trust (Colorado)	25c	4-15	3-18
Reconstruction Finance Corp. stock dividend	2%	4- 8	3-21
Reliance Electric & Engineering (quar.)	35c	6-30	6- 1
3½% conv. pfd. (quar.)		3-17	6- 1
Republic Foods Corp. class A (quar.)	17½c	4- 1	3-25
Class A (quar.)	17½c	7- 1	6-25
Class A (quar.)	17½c	10- 1	9-25
Class A (quar.)	17½c	12-31	12-25
Republic Oil Co.			

Name of Company	Per Share	When Payable	Holders of Rec.
Republic Pict. Co. (quar.)	10c	3-10	3-10
Republic National Life Insurance Co. new com. (increased)	10c	6- 8	5- 2
Stock dividend	25%	6- 8	5- 2
Republic National Bank of Dallas (quar.)	2½c	6- 1	5-31
Republic National Life Insur. Co. (Dallas) stock dividend subject to approval of stockholders March 8	2½%	6- 8	5-20
Republic Steel Corp. (quar.)	50c	6-21	5-20
Reserve Oil & Gas Co. 3½% pfd. (quar.)	34½c	3-31	3-15
Resistoflex Corp. (quar.)	10c	3-31	3-17
Revco D. S., Inc.			
Quarterly payment on new shares	7½c	3-30	3-11
Revenue Properties, Ltd.			
6½% pref. A (quar.)	12½c	8-16	6-30
6½% pref. A (quar.)	12½c	9-15	7-30
6½% pref. A (quar.)	12½c	11-15	10-31
Revlon, Inc. com. (quar.)	37½c	4-14	3-25
$1 conv. pfd. (initial)	15c	4-14	3-25
Reyco Construction (quar.)	12½c	6- 1	3-15
Reynolds Metals Co. com. (quar.)	15¢	6- 1	3-10
5½% pfd. (quar.)	$1.12½	5- 1	4-12
4½% pfd. (quar.)	56¼c	5- 1	4-12
Reynolds & Reynolds class A (quar.)	20c	3-31	3-11
Reynolds (R. J.) Tobacco 3.60% pfd. (quar.)	90c	6- 1	5-10
Rheingold Corp. (quar.)	8c	6-20	6- 6
Rhodes (M.) Inc. (quar.)	10c	6-12	5-20
Rhodes Western (quar.)	25c	6- 1	5-11
Richman Bros. Co. (quar.)	60c	6- 6	5-10
Richs, Inc. (incr. quar.)	27½c	6- 2	5-10
Ridis Motor Products	20c	3-31	3-15
Riviana Foods (quar.)	25c	5- 2	4-15
Roadway Express, Inc. (incr. quar.)	15c	6- 2	5-10
Robbins Co. (stock dividend)	25%	5- 6	4-20
Roberts Consolidated Industries (quar.)	15c	4-15	4- 1
Robertson (H. H.) Mfg. Co. Ltd. 6% pfd. (quar.)	150c	6- 1	5-10
$1 div. pref. (quar.)	150c	6- 1	5-10
Robin (A. H.) Co.			
Stock dividend subject to approval of stockholders April 14	50%	5- 6	4-20
Rochester Telephone com. (incr. quar.)	21c	6- 1	5-15
5% pfd. (quar.)	$1.25	6- 1	5-15
4.65% pfd. (quar.)	$1.16¼	6- 1	5-15
4.60% pfd. (quar.)	$1.15	6- 1	5-15
Rochester Gas & Elec. Ltd. 7% 1st pref. (quar.)	115c	6- 1	5-15
Rogers (Johnny) (quar.)	15c	3-31	3-25
Rogers Bros. (quar.)	20c	3-31	3-15
Rohr Corporation (quar.)	25c	4-20	3-31
Rollins, Inc. (quar.)	5c	4-20	3-31
Rolls-Royce, Ltd. ADR Ordinary (second interim payment of 8½% for year ended Dec. 31, 1965 plus a 2½% interim payment for the year ending Dec. 31, 1966)		6- 8	5-16
Ross-Atkins (quar.)	13½c	6-15	5-20
Roper Industries, Inc. (quar.)	20c	6-11	5-20
Rosemount Engineering (stock)	3½%	6-15	5-10
Rosenau Brothers (quar.)	12½c	6-15	5-10
Roth Greeting Cards (quar.)	25½c	6- 1	5-16
Rowe Furniture Corp.	20c	6-15	5-20
Extra	5c	6-15	5-20
Royal Business Forms			
Monthly	10½c	6- 1	6-20
Monthly	10½c	6- 1	7-20
Royal Crown Bottling Co. of Louisv. (quar.)	20c	6- 1	5-10
Royal Crown Cola (quar.)	15c	6- 1	5-16
Royal Dutch Petroleum (year-end) Subject to approval	90c	6-17	5-20
Roycite Oil, Ltd. 5½% pfd. (quar.)	*$0.3081	6- 1	3-31
Ruan Trans. Inc. class A (quar.)	20c	3-31	3-21
Rust Craft Greeting Cards (quar.)	10c	3-30	3-15
Rutland Ry. Corp. 6% pfd. (quar.)	87½c	3-31	3-10
Ryder System Inc. (quar.)	10c	6- 6	5-20
SCM Corporation (quar.)	10c	6-10	5-25
S Liquidating Co. (liquidating payable upon surrender of ctfs. to Harris Trust & Savings Bank) (Illinois)	$11.75	6- 8	. .
Above is as a corporate title of Sheaffer (W. A.) Pen Co. after liquidation			
Safeway Stores (quar.)	30c	3-31	3- 4
St. Joseph Light & Power $5 pfd. (quar.)	$1.25	6- 1	5-10
St. Lawrence Cement Co. Ltd. class A (incr. quar.)	22½c	6-30	6-10
St. Lawrence Corp. Ltd. com. (quar.)	12½c	6- 2	6- 1
$5 pfd. (quar.)	$31.25	6-30	5-20
St. Louis National Stockyards (quar.)	15c	6- 1	5-10
St. Louis Shipbldg. & Fwd Barge (quar.)	25c	3-20	3-11
St. Louis Steel Casting (quar.)	12½c	4- 8	3-10
St. Paul Fire & Marine Insur. Co. (quar.)	37c	6-15	6- 8
St. Regis Paper Co.			
Stock dividend	5%	6- 1	5- 7
Sabre Pinon Corp. (quar.)	5c	6-25	6-11
San Miguel Corp. com.	40c	6-25	5-25
5% pref. (quar.)	$1.25	6-25	5-25
Sandy Hill Corp. com. (quar.)	1c	3-31	3-11
$1 pfd. (quar.)	$1.25	3-31	3-11
30c partic. class A (quar.)	07½c	3-31	3-11
Santa Anita Consolid. new com. (incr. quar.)	15c	6- 8	5-10
Savannah Electric & Power com. (quar.)	32c	4-15	4- 1
4.36% pfd. (quar.)	$1.09	4-15	4- 1
5½% pfd. (quar.)	$1.31¼	4-15	4- 1
Sawyer's, Inc.			
Preferred (quar.)	37½c	6-15	5-10
Sayre Paper Corp.			
6% pfd. (quar.)	15c	3-31	3-10
Schenley (Partial liquidation)	40c	4-15	3-31
Schenectady Trust Co. (N. Y.) (quar.)	60c	6- 1	5-10
Schlitz (Joseph) Brewing	60c	6- 1	5-13
Special	3c	6- 1	5-13
Schlumberger-Kuorle (quar.)	30c	6-11	5-10
Schmuckler, Ltd. (incr. quar.)	6½c	6-15	5-10
3-for-2 stock split		5-20	5-10
Schultz Sawyer Clark A	5c	6- 1	5-20
Scott Lad Foods Inc. (quar.)	12c	6- 1	5-25
Scott & Fetzer Co. (monthly)	5c	6- 1	5-11
Monthly	5c	7- 1	6- 8
Monthly	5c	8- 1	7-14
Scott Industries	8c	6- 1	5-15
Scott Paper Co.			
$3.40 pfd. (quar.)	85c	6- 1	5- 2
$4 pfd. (quar.)	$1	6- 1	5- 2
Scottish & York Holdings Ltd. (quar.)	10c	6-15	5-15
Seaton Glass Inc. new com. (init. quar.)	15c	3-31	3-24
Seaway Valve Co. of Surrey 6½% pfd. (quar.)	$1.12½	6- 1	5-10
Second Alden Mtge. (quar.)	31¼c	3-28	3-15
Securities Inc. (quar.)	20c	6- 1	5-10
Seeburg Corp.			
$1 div. pref. (quar.)	07½c	6-10	5-17
$1.50 pfd. (quar.)	$1.50	6-10	5-17
Selected Amer. Shares (quar.)	6c	4-29	4- 5
Selected Industries, Inc. (quar.)	20c	6- 8	5-10
Semi-Alloys Corp. (quar.)	10c	6- 1	5-17
Semmes Bros. (quar.)	10c	6-10	5-10
Sentry Insurance (quar.)	15c	6-15	5-31
Serrick Corp. class A (quar.)	10c	6- 1	5-10
Class B (quar.)	10c	6- 1	5-10
Servomechanisms, Inc. (quar.)	10c	6-10	5-20
Servotronics, Inc.			
2-for-1 stock split		6-10	5-10
Shamrock Oil & Gas Corp. (quar.)	25c	6-10	5-20
Shawinigan Water & Power Co. (quar.)	30c	6-15	5-16
Shawmut Association (quar.)	40c	6-15	5-20
Shell Canada Ltd. (quar.)	$0.1875	6-15	5-16
Shell Oil Co. (quar.)	50c	6-10	5-13
Shell Transport & Trading Co. Ltd.			
Ordinary (interim)	6%	6-15	5-20
Sherwin-Williams Co. (quar.)	50c	6-10	5-20
Shop-Rite Foods, Inc. (quar.)	5c	6- 1	5-15
Shopping Center Realty Trust (quar.)	5c	6- 1	5-15
Shopping Plaza Realty Trust (quar.)	5c	6- 1	5-15
Shoreham Building Corp. (quar.)	10c	6- 1	5-15
Shulton, Inc.			
Class A (quar.)	15c	6- 1	5-10
Class B (quar.)	15c	6- 1	5-10
Sierra Pacific Power Co. 4.20% pfd. (quar.)	$1.05	6- 1	5-15
4.36% pfd. (quar.)	$1.09	6- 1	5-15
4.76% pfd. (quar.)	$1.19	6- 1	5-15
Signal Companies, Inc. (quar.)	30c	6- 1	5-10
Signal Oil & Gas Co. class A (quar.)	25c	6- 1	5-10
Class B (quar.)	25c	6- 1	5-10
Signode Steel Strapping Co. (quar.)	25c	6- 1	5-10
Silver Creek Precision Corp. (quar.)	10c	3-31	3-15
Simmons Co. (quar.)	25c	6- 1	5-10
Simplicity Pattern Co. (quar.)	15c	6- 1	5-10
Simpson's Ltd. 5% pref. (quar.)	$1.25	6- 1	5-10
Sinclair Oil Corp. (quar.)	50c	6-10	5-13
Singer Co. (quar.)	50c	6- 1	5-10
Skaggs Drug Centers (quar.)	15c	6- 1	5-10
Skelly Oil Co. (quar.)	50c	6-10	5-13
Skil Corp. (quar.)	15c	6- 1	5-10
Skyline Corp. (quar.)	15c	6- 1	5-10
Slick Airways, Inc. (quar.)	15c	6- 1	5-10
Smith (A. O.) Corp. (quar.)	50c	6- 1	5-10
Smith (Howard) Paper Mills, Ltd. (quar.)	15

Redemption Calls and Sinking Fund Notices

... will be found a list of corporate bonds, notes ... preferred stock called for redemption, including ... called under sinking fund provisions. The date ... gives the redemption or last day for making ten... and the page number gives the location in the ... volume (except where otherwise indicated in ... the details were given in the Chronicle).

Company and Issue—	Date	Page
NOTICE OF TENDER		
... Gas & Water Co. 5% debs. due Apr.	Apr. 1	643
... Francisco Bay Area Rapid Transit Dist. 5% serial A bonds	Mar. 16	870
PARTIAL REDEMPTIONS		
... Gas & Electric Co. 3¼% debs. due 1970	Apr. 1	550
... Co. 4¼% debentures due 1990	Apr. 1	*
... Co. 4¼% debentures due 1987	Apr. 1	*
... Co. of U.S. 5% conv. debentures due 1977	Apr. 1	*
... Co. 4¼% conv. subord. debentures due 1984

American Brake Shoe Co. — PROPOSED STOCK SPLIT — NAME CHANGE — On March 9, American Brake Shoe Co. proposed a 2-for-1 stock split, a higher cash payout and a change in the company name to Abex Corp.

The directors declared a regular quarterly dividend of 75 cents, payable March 31 to shareholders of record March 18.

Kempton Dunn, Chairman, said that shareholders would vote on the split and the name change at the annual meeting April 28. If the split is approved and economic conditions remain unchanged, he said, directors will declare a quarterly dividend of 40 cents in June, equivalent to 80 cents on present shares.

Shareholders also will vote at the annual meeting on a proposal to increase the authorized shares from 2,000,000 to 6,000,000. There are 1,872,319 shares outstanding currently.

Mr. Dunn said that the new name was more suitable because the company had diversified into many new products and greatly expanded its foreign operations.

The record date for the split would be May 5, with distribution of the additional shares taking place about May 20.

The company paid dividends of 70 cents in the first three quarters of 1965 and 75 cents in the last quarter. On an annual basis the new rate would pay a total of $3.20 a year, compared with $3 on the current rate. — V. 203, p. 660.

Anheuser-Busch, Inc. — DEBENTURES OFFERED — On March 8, Anheuser-Busch, Inc., announced the public offering of $45,000,000 principal amount of 5.45% debentures due March 1, 1991. The debentures, priced at par, were offered through an underwriting group headed by Dillon, Read & Co. Inc., New York. The offering was oversubscribed and the books closed.

Proceeds from the sale of the debentures will be added to the general funds of the company and will be available, together with internally generated funds, for capital expenditures. Such expenditures for the years 1966-1968 will include approximately $22,000,000 for the completion of a new corn products plant in Lafayette, Ind. and between $40,000,000 and $45,000,000 for the construction of a new brewery in Columbus, Ohio. In addition to these new facilities, expansion of the company's existing breweries in Newark, N. J. and Los Angeles, Calif. is estimated to cost approximately $34,000,000 and $15,000,000 respectively.

The debentures are entitled to a semi-annual sinking fund beginning March 1, 1971, sufficient to retire $2,200,000 principal amount annually and approximately 98% of the issue prior to maturity. The sinking fund price is par.

The debentures are also redeemable, at the option of the company, at prices beginning at 105.45% of the principal amount and declining thereafter to par in the 12 months' period beginning March 1, 1990, in each case plus accrued interest. Prior to March 1, 1971, however, no such redemption may be made directly or indirectly out of money borrowed at an interest cost of less than 5.45% per annum.

Anheuser-Busch, with breweries presently operating in St. Louis, Newark, Los Angeles, and Tampa, and with a fifth brewery, located in Houston, expected to be in full operation by mid-1966, produces and distributes beer under the brand names Budweiser, Michelob, and Busch Bavarian. In 1965 the company led the United States brewing industry in total sales volume. Its sales having exceeded those of its nearest competitor by approximately 3,200,000 barrels. The company also produces and sells yeast and corn products.—V. 203, p. 859.

Appalachian Power Co. — DEBENTURES OFFERED — On March 9, Drexel Harriman Ripley Securities Corp., New York, as manager of the underwriting group, announced the public offering of $30,000,000 Appalachian Power Co. 6¾% sinking fund debentures due 1996, at 102½% to yield 5.81%. The group was awarded the issue at competitive sale on a bid of 101.13% for the 6¾% coupon. Other bids for the debentures, all as 6s, came from Halsey, Stuart & Co., 101.03; First Boston Corp., 100.912; Lehman Brothers, Blyth & Co., Salomon Brothers & Hutzler and Merrill Lynch, Pierce, Fenner & Smith Inc., jointly, 100.801, and Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co., jointly, 100.357. The offering was quickly oversubscribed.

The debentures are redeemable at the option of the company at regular redemption prices ranging from 108.63% for those redeemed prior to March 1, 1967, to 100% for those redeemed on or after March 1, 1995 and at special redemption prices ranging from 102.69% for those redeemed prior to March 1, 1967, to 100% for those redeemed on or after March 1, 1995.

Net proceeds from the sale of the debentures will be applied to the prepayment of notes payable to banks which have been issued for construction purposes, and the balance will be added to general funds. The cost of the company's construction program for 1966 is estimated at $47,130,000.

The company, which is a subsidiary of American Electric Power Co., Inc., is engaged in the generation, purchase, transmission, and distribution of electric energy and its sale to the public in extensive territory in Virginia and West Virginia, and in the supplying of electric energy at wholesale to other electric utility companies and municipalities in Virginia, West Virginia, and Tennessee.—V. 203, p. 275.

Associated Truck Lines, Inc. — PROPOSED STOCK SPLIT—On March 7, Associated Truck Lines, Inc., declared a quarterly dividend of 10 cents per share on Class A common, payable April 15 to stock of record April 1. The company also announced Interstate Commerce Commission approval of a 3-for-2 split of the Class A common, payable April 1 to stock of record March 1. The 10-cent dividend on the new shares would be equivalent to 15 cents on old shares, up from the 12½ cents paid previously. The company said that there will be 1,014,500 shares outstanding after the split. —V. 198, p. 1135.

Aqua-Chem, Inc. — TO BUILD WATER DESALINATION PLANTS — On March 7, Gordon F. Leitner, Executive Vice President of Aqua-Chem, Inc., Waukesha, Wis., announced that water desalination plants with the capacity to produce a total of 666,000 gallons of fresh water daily from the sea will be in operation at Esso Standard Libya, Inc. within 12 months.

Located at the oil loading port of Port Brega on the Gulf of Sirti in Libya, the Esso facility provides a shipping point for crude oil pipelines leading from the major oil fields in Libya.

The announcement followed recent receipt of orders for two 200,000 gpd plants by Aqua-Chem from Esso, bringing to five the total number of water desalination plants built by this company for the Port Brega facility. Total cost, upon completion of the fifth unit, will be in the neighborhood of $1,000,000, Mr. Leitner said.

The two new plants will be of the packaged design — ready for operation after being connected to sources of sea-water, electricity, and steam.—V. 203, p. 556.

Auto-Magic Car Wash, Inc.—COMMON OFFERED — On March 8, Charles Plohn & Co., New York, announced the public offering of 100,000 shares of Auto-Magic Car Wash, Inc. common stock at $3 per share.

Net proceeds will be used for debt repayment, equipment, and working capital.

Auto-Magic, with headquarters in New York City, is engaged in the sale, distribution and maintenance of coin operated self-service car wash machines.

CAPITALIZATION GIVING EFFECT TO PRESENT FINANCING

Class of Security	Authorized	Outstanding
8% Notes (due after one year)	$450,000.00	$250,000.00
Officers' loans	41,750.33	41,750.33
Common stock (par 10c each)	400,000	266,999

APPOINTMENT — Bankers Trust Co., New York, has been appointed transfer agent for the common stock of the corporation.—V. 203, p. 769.

Bell Telephone Co. of Canada — BONDS PLACED PRIVATELY — On March 8, it was reported that $28,000,000 of this utility's 4.85% first mortgage bonds, Series AB, due Dec. 1, 1993 had been placed privately through Salomon Brothers & Hutzler, and McLeod, Young, Weir, Inc., New York.—V. 202, p. 2687.

Birdsboro Corp. — NOTES PLACED PRIVATELY — On March 9, it was reported that $2,500,000 of this firm's secured notes due Jan. 15, 1981, had been placed privately through Butcher & Sherrerd, Philadelphia. —V. 199, p. 1984.

Boeing Co. — TO REDEEM DEBENTURES — The company has called for redemption on April 8, 1966, at 104.25% plus accrued interest, all of its outstanding 4½% convertible subordinated debentures due July 1, 1980.

Payment will be made at The Chase Manhattan Bank N. A., 80 Pine St., New York.

Debentures may be converted into capital stock on the basis of two capital shares for each $100 of debentures, up to the close of business on March 29, 1966.

From Jan. 1, 1965 through March 3, 1966 the sales price for the common stock of the company on the New York Stock Exchange ranged from a high of $175.25 to a low of $80.375 per share. On March 3, 1966, the last sale of such common stock on such stock exchange was at $158.25 per share. So long as the market price of common stock is $83.24 or more per share, a debentureholder would receive, upon conversion of debentures, common stock having a greater market value than the cash which such holder would receive if he surrendered debentures for redemption. V. 203, p. 960.

Bucyrus-Erie Co. PROPOSED STOCK SPLIT On March 8, Bucyrus-Erie Co. hoisted its quarterly dividend to 70 cents per share, and proposed a 2-for-1 common stock split and authorization for a new preferred issue. The company had announced in February that directors would consider a split.

The higher quarterly dividend is payable [illegible] to stock of record March 18. The company [illegible] its quarterly rate to 60 cents in December, [illegible] 50 cents paid in the first three quarters [illegible] also distributed a 90-cent extra in December, [illegible] total 1965 payments to $3 a share, up from [illegible] of 1964.

Shareholders at the annual meeting [illegible] be asked to vote on a proposal to boost the number of shares of $5 par common [illegible] from the present 4,000,000 and to authorize [illegible] shares of new preferred stock of $100 par. [illegible] of Dec. 31, 1965, Bucyrus-Erie had 1,000,000 shares outstanding.

"The approval of the increase in the common and preferred shares would put us in a position to negotiate for possible [illegible] and to be prepared for additional interest [illegible] and for other corporate purposes," Eugene [illegible] President, stated. However, he added that the shares to be issued in connection with [illegible] proposed stock split we have no immediate [illegible] using the additional shares at this time.

Final details of the stock split and [illegible] mation will be announced at a board meeting [illegible] ing the annual meeting, Mr. Berg said.—V. [illegible]

Canadian Industrial Gas & Oil Ltd. — PLACED PRIVATELY—On March 10, it was announced that $11,000,00 (U.S.) of this firm's [illegible] mortgage sinking fund bonds due Feb 1 [illegible] been placed privately through Nesbitt, [illegible] Co., Ltd., Montreal.

Celanese Corp. of America—RIGHTS [illegible] —On March 11, Celanese Corp. of America announced that it is offering to the holders of its common stock of record March 10, 1966, rights to subscribe for per share for 1,478,622 shares of additional stock in the ratio of one new share for each [illegible] then held. The subscription offer, which will expire March 29, 1966, will be underwritten by a wide group of underwriters headed by [illegible] Co., New York.

Proceeds from the sale of the common stock will provide additional funds for the corporate [illegible] ated expansion program. Consolidated capital expenditures and investments of Celanese are expected to approximate $750,000,000 over the next five years. About 75% of the program will be for Celanese's chemical and plastics business. The remainder will be used for petroleum, forest products and [illegible] surface coatings.—V. 203, p. 763.

Chicago Musical Instrument Co. — ADDITIONAL FINANCIAL DETAILS—Our Feb. 28 issue reported the public offering on Feb. 25 of $3,000,000 of this firm's 4¼% convertible subordinated debentures due March 1, 1986, at par plus accrued interest through Smith, Barney & Co. Inc., New York. Additional financing details follow:

CAPITALIZATION GIVING EFFECT TO PRESENT [illegible]

	Authorized	Outstanding
Long term debt (excluding current portion):		
4½% subordinated term notes of the company, due annually 1966-71	[illegible]	$2,250,000
4½%-4¾% notes of the company	[illegible]	1,500,000
4½%-6¾% notes of subsidiaries	[illegible]	[illegible]
4¼% conv. subord. debentures due March 1, 1986	$10,000,000	10,000,000
Security issued by subsidiaries	[illegible]	[illegible]
Common stock ($5 par (shares)	[illegible]	[illegible]

UNDERWRITERS—Upon the terms and conditions [illegible] underwriting agreement with the company a copy of which is an exhibit to the registration statement, the underwriters named [illegible] agreed to purchase an aggregate of $10,000,000 principal amount of the debentures set opposite its name below:

	Amount		Amount
Smith, Barney & Co. Inc.	$4,150,000	Kidder, Peabody & Co. Inc.	$250,000
Blyth & Co., Inc.	650,000	Lehman Brothers	[illegible]
Eastman Dillon, Union Securities & Co.	650,000	Merrill Lynch, Pierce, Fenner & Smith	[illegible]
Goldman, Sachs & Co.	650,000	Paine, Webber, Jackson & Curtis	[illegible]
Hallgarten & Weise	[illegible]	Dean Witter & Co.	[illegible]
Model, Roland & Stone	[illegible]		

—V. 203, p. 769.

Christiana Securities Co. — SECONDARY OFFERING — On March 8, it was reported that a secondary offering of 17,520 shares of this company's common stock had been made through Kidder, Peabody & Co., New York, and Alex. Brown & Sons, Baltimore. V. 201, p. 688.

Cole National Corp. — A. S. E. LISTING — Effective with the opening on March 10, the common stock of the corporation was admitted to trading on the American Exchange under the symbol CNC. V. 199, p. 1657.

Communications Industries, Inc. — PROPOSED PUBLIC OFFERING — On March 10, Rauscher, Pierce & Co., Inc., Dallas, as managing underwriter, announced the proposed public offering of 100,000 shares of common stock of Communications Industries, Inc. at $3 per share.

Communications Industries, Inc., of Dallas is engaged in the design [illegible] of radio and electronic communications [illegible] V. 202, p. 33.

Continued

Last Week's Corporate Offerings

The $75,000,000 **Pacific Gas & Electric** 5⅜% Bonds due June 1, 1998 were offered by a First Boston group at 100.383 to yield 5.35%. The return is attractive for "AA" paper with five-year refunding protection. The call price on December 1, 1970 will be 104.51; initially it is 105.38.

The $5,000,000 **Missouri Power & Light** First Mortgage Bonds due March 1, 1996 were offered as 5⅝s and priced at 102.57 to yield 5.45%. The return is attractive. The bonds are rated "A" and have five-year refunding protection. The call price at the end of that time is 106.79; initially it is 108.20. Francis I. duPont-A. C. Allyn are the underwriters.

The $16,000,000 **Northwest Natural Gas** 5¾% Mortgage Bonds due March 1, 1991 were offered by a Lehman Brothers group at 98½ to yield 5.865%. The return is attractive for "BBB" paper protected against lower cost refunding for five years. The redemption price at the end of the period is 103.55; initially it is 104.25.

The $10,000,000 **Massachusetts Electric Company** Mortgage Bonds due March 1, 1996 were offered as 5⅜s at 101.875 to yield 5.62%. The return is liberal for "A" rated paper, although there is no protection against early refunding. The bonds are callable initially at 107.63. Halsey Stuart & Company is the principal underwriter.

The $410,000,000 **Federal National Mortgage Association's** Participation Certificates due serially each April 1, 1967-81, were offered at yields ranging up to a maximum of 5.50% for the 1969-75 maturities, to a low of 5.25% for those due in 1981. Although not rated, yields are attractive for this high grade paper which is not redeemable. The underwriting group is Morgan Guaranty, Merril Lynch, Salomon Bros. & Hutzler and First Boston.

The $9,000,000 **Great Northern Railway** Equipment 5⅛s, due annually from April 1, 1967-81, were priced at yields ranging from 5.20% to 5.45%. The returns are favorable for "AA" paper. Salomon Bros. & Hutzler is placing the issue.

Houston Lighting & Power serves electricity to a population of about 1,765,000 in the Texas Gulf Coast area, including Houston and Galveston. The region has had outstanding growth. Local deposits of oil and natural gas, petroleum, magnesium, sulphur, salt and gypsum have provided the basis for construction of a major industrial complex involving manufacture of petrochemicals and synthetic rubber. Other manufactures are steel products, oil, tools, and building materials. The NASA Manned Space Craft Center is in the area. The economy also includes agriculture—cotton, rice, livestock and feeds. The industrial load accounted for 27% of 1965 revenues, residential 38%, and commercial 29%.

Generating capacity, natural gas fueled, amounted to 3,124,250 kw at the end of 1965. Peak load was 3,039,400 kw in 1965.

In 1965, operating revenues showed a gain of 8.5% over those of 1964. The operating expense ratio was lower, and available earnings rose to $48,741,000 from $42,592,000. Coverage for larger fixed charges was 6.09 times, up from 5.46. Other factors in the higher interest coverage were a decline in the maintenance depreciation ratio as a percent of operating revenues to 14.7% from 16.0% in 1964, and a rise in the return on net property to 9.3% from 8.8%. Rates are subject to regulation by incorporated municipalities served. Coverage before construction interest credits was 5.62, compared with 4.95. The rapid expansion of the service area points to further good sized revenue and earnings gains in coming years.

	1965	1964	1963	1962	1961
Oper. Revenues (Million $)	180.2	166.1	155.2	141.6	130.5
Fixed Charge Coverage:					
After Income Taxes	6.09	5.46	4.95	4.29	3.59
Before Income Taxes	10.70	9.82	9.15	7.87	6.39

ASSET PROTECTION: These $40,000,000 bonds will rank equally with $230,000,000 other mortgage bonds, secured by a first lien on substantially all property. This constitutes company's sole debt. Debt equals 47.5% of net plant. There is the usual 1% sinking fund less property credits at 60%, (beginning in 1969). The bonds are "AA."

OPPORTUNITIES IN CONVERTIBLES

BOEING CONVERTIBLES ARE CALLED CONVERSION RECOMMENDED

Quality Rating	Conv. Price	Conv. Parity	Stock Price	Stock Value of Bonds	Invest. Worth	Bond Price	Dividend Income/ $1,000 Bond	§Stock Dilution
BB	*50	†143	143¾	287½	87½	286	$40.00	8.7%

*(20 shares per $1,000 bond) to maturity. †Based on bond price. ‡Per $1,000 debenture, based on $2.50 annual dividend, including $0.50 special in December, 1965. §Potential increase in shares to stock outstanding.

The Boeing Airplane Convertible Subordinated 4½s due July 1, 1980 have been called for payment on April 8, 1966, at 103¼ and accrued interest. The Chase Manhattan Bank, New York City, is the agent. The bonds are convertible into common at 50 through March 29, 1966, and should be either sold or exchanged prior to this time to avoid a large financial loss.

We believe investors would be well advised to convert their bonds. The common stock is well advanced in price, but is still reasonably valued in terms of earnings, which were $9.56 a share last year, up sharply from $5.64 in 1964. With an order backlog at year end of $3,148,000,000, (over two-thirds of which is civilian business) compared with $1,844,000,000 a year ago, and increased deliveries of jets on which the major part of development costs had

already been written off, earnings this year could perhaps advance to the $15.00 a share area, depending on the 747 and SST expenses. A 2-for-1 stock split has been proposed.

Boeing is the leading factor in the commercial jet transport field and is benefiting from the strong growth trend in jet travel both here and abroad. Deliveries of long-range 707-720s, and medium-range 727s are both expected to rise substantially this year, with deliveries of the short-range 737 becoming a factor late next year. Company is currently studying two important commercial programs which have large potential for future years—the U. S. supersonic transport and the 747, a giant jet transport. Military business has been declining in recent years with the completion of earlier contracts, but should stabilize at a high level under the Minuteman II and III and Saturn V rocket programs and higher Vertol helicopter volume due to the Vietnam war.

Concern has been raised over the four Boeing 727 accidents, but the causes have apparently been pilot error and no major restructuring of the craft is expected.

J. P. STEVENS CONVERTIBLES RECOMMENDED FOR PURCHASE

Quality Rating	Conv. Price	Conv. Parity	Stock Price	Stock Value of Bonds	Invest. Worth	Bond Price	Dividend Income/ $1,000 Bond	§Stock Dilution
BB	*56.43	69¼	70	126	78½	122½	$35.44	14.1%

*(17.72 shares per $1,000 bond) to maturity. †Based on bond price. ‡Per $1,000 bond; the equity pays $2.00 annually. §Potential increase in shares to stock outstanding.

The current tight money situation and stock market correction have removed the premium on the J. P. Stevens Convertible 4s, 1990 and the bonds are considered an attractive purchase. The common stock at 70⅝ is conservatively valued and earnings are benefiting from recent additions to capacity, strong demand for textiles, improved product mix, and firmer product prices on many lines. For the fiscal year ended October 31, 1965, Stevens earned $5.68 per share, up from $3.36 in 1964. A profit level of $6.75 per share appears easily within reach for this year. Considering the strongly improved trade conditions, this stock might well command a higher earnings multiple in time.

J. P. Stevens is a major producer of diversified textile products with sales of about $760,000,000 last year. In 1964, some 70% of sales was for ultimate use in apparel, 20% for home furnishings and other goods (excluding the Gulistan carpet business of Karagheusien, acquired that year), and 10% for various industrial uses.

REYNOLDS METALS NEW CONVERTIBLES HAVE APPEAL FOR LONG TERM

Quality Rating	Conv. Price	Conv. Parity	Stock Price	Stock Value of Bonds	Invest. Worth	Bond Price	Dividend Income/ $1,000 Bond	§Stock Dilution
BB	*63	63	53⅛	84%	85%	100%-100%	‡11.90	16.6%

*(15.87 shares per $1,000 Bond) to maturity. †Based on bond price. ‡Per $1,000 bond; stock pays 75c per share. §Potential increase in shares to stock outstanding.

The $75,000,000 Reynolds Metals Company 4½s due March 1, 1991, convertible into common at 63 through maturity, came to market at par on March 15. Unlike many recently offered convertibles, the bonds failed to

(Continued on Page 887)

RECOMMENDED CONVERTIBLES

As is customary at this time of the month, the Monthly Convertible Bond List is being mailed to our clients along with the issue of Standard & Poor's Bond Service. Issues having the greatest appeal for profits are suitably marked, but for convenience of users they are reprinted here.

	Bond Price	Conversion Price	Conversion Parity	Stock Price	1966 Range
Quality Rating AA					
Phillips Petroleum 4¼s, '87	109½	50	54¾	52⅞	58⅜- 52⅛
●Scott Paper 3s, 1971	139	25.67	39	39	39⅛- 30⅛
Quality A					
*Dow Chemical 3s, 1982	156⅞	11.91	70½	70½	78 - 70
FMC Corp. 3¼s, '81	160¼	50	80¼	80⅛	82⅜- 76½
*National Research 5s, 1976	122½	30.21	41⅞	41⅜	45⅜- 42⅛
*North Indiana Pub. Serv. 4s, '76	143⅜	47	61⅜	61⅜	67 - 55
Southern Calif. Edison 3⅛s, '80	94	44.50	41⅞	37½	39⅜- 33⅛
●Union Oil of Calif. 4¼s, '91	251	20.42	51¼	51¼	58⅜- 50
Xerox Corp. 4s, '81	226	100	226	221½	241⅜-196½
Quality Rating BBB					
●Allied Stores Corp. 4½s, 1981	114	70	70⅜	70⅜	89⅜- 65⅛
Air Reduction 3¾s, 1987	114	62.50	71¼	70½	78¼- 69⅛
American Greetings 4¾s, '83	121⅛	35.30	42¾	42⅜	51⅜- 42⅛
*American Optical 4.40s, '80	200	25.30	50⅝	49⅝	58¾- 49⅛
*Ashland Oil & Refining 3⅞s, '93	170	15.30	26⅜	26⅜	30⅛- 23½
Bausch & Lomb 4½s, '70	192⅜	18	34⅝	34⅛	38 - 32½
Champion Paper 4½s, 1981	103½	46.08	47⅜	40	45 - 38⅞
●Consolidated Elec. 4½s, 1981	110	39.62	48⅛	40¼	47⅛- 39⅝
Grant (W. T.) Co. 4s, 1990	108	56	60½	58½	70¾- 57⅛
Macy (R. H.) Co. 4¼s, 1990	107½	60	64½	46	54⅝- 45⅛
Rockwell Standard	97¾	46	45	36	39¼- 35⅝
Sinclair Oil 4¾s, 1986	95¾	70	67	57⅜	65⅛- 55
*U. S. Freight 5s, '81	200	29.50	59	50	61⅛- 50⅛
Quality Rating BB					
American Airlines 4s, 1990	111	61.50	70	57⅝	69⅝- 44⅛
Beaunit Corp. 4¼s, 1990	110½	18	53⅛	50¾	53⅜- 42⅞
Cenco Instruments 4½s, '80	150	27.75	41⅝	41	47⅜- 36⅞
●Chicago Musical Instr., 1¼s, 1986	101¼	35	36½	30⅜	35⅜- 24⅛
Crowell Collier 4½s, 1981	119	37.38	44½	39½	48⅜- 38⅜
General Instrument 4¼s, 1985	113½	35	50¾	35	42⅜- 33½
General Telephone 4s, 1990	107½	50	53¾	41¼	46⅜- 42⅛
Grace (W. R.) 4¼s, 1990	107	65	65⅞	53	60⅜- 52
I-T-E Circuit Breaker 4¼s, '82	171	58.11	65¾	65	79 - 61½
Int'l Minerals 4s, 1991	107	87.50	93⅜	76½	86¼- 70
†National Cylinder Gas 5¼s, 1977	147½	38.58	57⅞	57½	64⅝- 56⅞
Olin Mathieson 5¼s, '82	121½	50	60¾	57⅜	64¼- 56½
Oxford Paper 4¾s, '78	115⅜	42.50	61⅞	60⅞	66½- 49
Pan American Airways 4½s, '84	106	29.25	37⅜	37¼	43¼- 47½
Reeves Bros. 4s, 1991	97	42	40¾	33½	37⅜- 32⅝
Stevens (J. P.) Co. 4s, 1990	121¾	50.43	70⅜	70⅜	80½- 62⅝
United Airlines 4s, 1990	184½	472.50	111¾	111¾	125⅜- 95⅝
●United Aircraft 4¼s, 1988	231	33.33	78	78	90⅜- 77½
United Merchants Mfrs. 4s, 1990	103	31.25	35¼	31½	36½- 29½
Western Power & Gas 4¼s, 1978	129¼	35	45¼	45¼	52½- 41¼

†Now Chemetron. ‡For 30 shares payable in debentures at par, and balance in cash. §Now Norton Co. *For 20 shares payable in debentures at par, and payable in cash. ●New additions. *Consideration should be given to direct ownership in the stock which affords a higher income, unless the bonds are hypothecated.

CONVERTIBLES FOR INCOME

	Bond Price	Current Return	Yield to Maturity	Conv. Price	Stock Price
Quality Rating BBB					
American Distilling 4¾s, '86	90¼	4.85	5.15	43.18	30⅝
Eastern Stainless 5s, '73	98	5.10	5.32	24.45	16⅝
Quality Rating BB					
American Mach & Fdry. 4¼s, '81	85	5.00	5.73	57.07	38
Food Fair Stores 4s, '79	85	4.31	5.65	32.94	20⅛
General American Oil 4¾s, '81	101	4.70	4.67	37.66	31

EXHIBIT 1.5 - STANDARD & POOR'S CALLED BOND RECORD

SEMI-WEEKLY
CALLS
SECTION

STANDARD & POOR'S
SEMI-WEEKLY
CALLED BOND
RECORD

Vol. 60, No. 19 (One Section), Sec. 1

WEDNESDAY, MARCH 9, 1966

Bond Calls

Announced Since Weekly Calls Section (Buff) dated Mar. 4, 1966

AKRON COMMUNITY SCHOOLS, MICH.
Bldg. Bonds, dated July 1, 1957.
Mar. 8, 1966. **Called in Part** at Citizens Commercial & Savings Bank, Flint, Mich.

Amt Called	Price	Call Date
$15,000	101	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1973—231 to 245
Previous Items—Page 627.

ALLIOT (MICH.) SCH. DIST. PUBLIC SCHOOLS
Bldg. & Site Bonds, dated Jan. 1, 1964.
Mar. 8, 1966. **Called in Part** at Detroit Bank & Trust Co., Detroit.

Amt Called	Price	Call Date
$20,000	101	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1968—511 to 530
Previous Item—Page 720.

Bldg. Bonds, dated Jan. 1, 1956
Mar. 8, 1966, **Called in Part** at City Bank & Trust Co., Jackson, Mich.

Amt. Called	Price	Call Date
$20,000	101	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1970-71—416 to 445
Previous Item—Page 720.

ARAPAHOE COUNTY, COLO., CHERRY CREEK VILLAGE WATER DIST.
Gen. Oblig. Bonds, dated July 1, 1963.
Mar. 7, 1966. **Called in Part** at Colorado National Bank, Denver, Colo.

Amt Called	Price	Call Date
[illegible] Bonds	101	†Jan. 1, '66

†To remain indexed until Jan. 1, 1974.
Numbers Called—91 to 200 incl.

ARAPAHOE COUNTY, COLO., SCHOOL [illegible]Z. NO. 75
Bonds, dated Apr. 1, 1950.
Mar. 7, 1966. **Called in Part** at County Treasurer's office, Littleton, Colo.

Amt. Called	Price	Call Date
[illegible] Bonds	100	Apr. 1, '66

Numbers Called—57 to 80 incl.

AUTOMATIC RETAILERS OF [illegible]MERICA, INC.
Conv. Subord. Deb. 5s, Ser. A, due Nov. 1, 1979.
Mar. 8, 1966. **Entire Issue Called** at Harris Trust & Savings Bank, Chicago.

Amt. Called	Price	Call Date
Entire Issue	101.50	Apr. 11, '66

Convertible into Com. stock at $26.25 per share thru Apr. 5, 1966.

[illegible] CITY, MICH., SCH. DIST. NO. 5
Site & Bldg. Bonds, dated Apr. 1, 1[illegible]
Mar. 8, 1966. **Called in Part** at Chemical Savings Bank, Midland, Michigan.

Amt Called	Price	Call Date
$14,000	100	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1967-68—61 to 76

BAYONNE HOSPITAL & DISPENSARY, N. J.
1st Serial & S. F. Bonds, dated Jan. 1, 1959.
Mar. 9, 1966. **Entire Issue Called** at Commercial Trust Co., Jersey City, N. J., First Wisconsin Trust Co., Milwaukee, or First National Bank, West Bend, Wis.

Amt Called	Price	Call Date
Entire Issue	100	Apr. 1, '66

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BLISSFIELD COMMUNITY SCH. DIST., MICH.
Sch. Bldg. Bonds, dated Jan. 1, 1957.
Mar. 8, 1966. **Entire Issue Called** at City Bank & Trust Co., Jackson, Mich., or Detroit Bank & Trust Co., Detroit.

Amt Called	Price	Call Date
Entire Issue	102	Apr. 1, '66

BOEING AIRPLANE CO.
See—Boeing Co.

BOEING CO. (FORMERLY BOEING AIRPLANE CO.)
Conv. Subord. Deb. 4½s, due July 1, 1980.
Mar. 8, 1966. **Entire Issue Called** at Chase Manhattan Bank, N.A., NYC.

Amt Called	Price	Call Date
Entire Issue	103.25	*Apr. 8, '66

*Present Coupons in usual manner.
Convertible into 2 Com. shares per $100 principal amount, thru Mar. 29, 1966.

BOULDER & WELD COUNTIES, COLO.
St. Vrain Valley Sch. Dist. No. RE-1J, dated Jan. 1, 1962.
Mar. 7, 1966. **Called in Part** at Chase Manhattan Bank, N.A., NYC, or Longmont National Bank, Longmont, Colo.

Amt Called	Price	Call Date
290 Bonds	101½	†Sep. 1, '74

†To remain indexed until Sep. 1, 1974.
Numbers Called—421 to 810 incl.

BURSLEY SCH. DIST. 54 (MICH.)
Bldg. Bonds, dated June 1, 1958.
Mar. 8, 1966. **Called in Part** at City National Bank, Detroit.

Amt Called	Price	Call Date
$6,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1972—37 to 62
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CALEDONIA COMMUNITY SCHOOLS, MICH.
Bldg. & Site Bonds, dated Feb. 1, 1956.
Mar. 8, 1966. **Called in Part** at Old Kent Bank & Trust Co., Grand Rapids.

Amt Called	Price	Call Date
$16,000	101½	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1969-70—111 to 126
Previous Items—Page 726.

CASEVILLE PUBLIC SCHOOL DIST., MICH.
See—Caseville Township, Mich., Sch. Dist. No. 1.

CASEVILLE TOWNSHIP, MICH., SCH. DIST. NO. 1 (NOW CASEVILLE PUBLIC SCH. DIST.)
Sch. Bldg. Bonds, dated Apr. 2, 1955.
Mar. 8, 1966. **Called in Part** at Citizens Commercial & Savings Bank, Flint, Mich., or National Bank of Detroit, Detroit.

Amt Called	Price	Call Date
$5,000	101	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1970—148 to 152
Previous Item—Page 727.

Sch. Bldg. Bonds, dated Apr. 1, 1958.
Mar. 8, 1966. **Called in Part** at City National Bank, Detroit.

Amt Called	Price	Call Date
25,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1973—106 to 110
Previous Item—Page 727.

CENTER TOWNSHIP SCHOOL BLDG. AUTH., PA.
Sch. Bldg. Rev. Bonds, 1964 Ser., dated Oct. 1, 1964.
Mar. 9, 1966. **Called in Part** at Union National Bank, Pittsburgh.

Amt Called	Price	Call Date
6 Bonds	100	*Apr. 1, '66

*Coupons should remain attached.
Numbers Called—Due Oct. 1, 1969
[illegible] 6 12 15 19 25

COMSTOCK (MICH.) PUBLIC SCHOOLS DIST. NO. 32
Bldg. Bonds, dated Feb. 1, 1956.
Mar. 8, 1966. **Called in Part** at Detroit Bank & Trust Co., Detroit, or American National Bank, Kalamazoo, Mich.

Amt Called	Price	Call Date
$15,000	101	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1967—130 to 145
Previous Item—Page 729.

Bldg. Bonds, dated July 1, 1957.
Mar. 8, 1966. **Called in Part** at City National Bank & Trust Co., Jackson, Mich.

Amt Called	Price	Call Date
$20,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1967-69—591 to 611
Previous Item—Page 729.

Sch. Bldg. Bonds, dated Sep. 1, 1959.
Mar. 8, 1966. **Called in Part** at First Commercial Savings Bank, Constantine, Mich.

Amt Called	Price	Call Date
$10,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due May 1, 1976—131 to 140

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EXHIBIT 1.5

PUBLIC SCHOOL, MICH.
ortage Township, Mich., Sch. Dist.

TOWNSHIP, MICH., SCH. (NOW PORTAGE PUBLIC OLS)
nds, dated Oct. 1, 1955 & June 1,

8, 1966, Called in Part at Detroit & Trust Co., Detroit.

Called	Price	Call Date
		Apr. 1, '66

1955, 101, dated 1959, 102.
ers Called (Incl.)—$1,000 Denom.
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1959, due Apr. 1, 1972-73—530 to

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DO TILE CO.
Stylon Corp.

COMMUNITY SCHOOLS SCH. P. (MICH.)
& Site Bonds, dated June 1, 1956.
8, 1966, Called in Part at Detroit & Trust Co., Detroit.

Called	Price	Call Date
,000	101½	Apr. 1, '66

bers Called (Incl.)—$1,000 Denom.
Apr. 1, 1972—581 to 605
ous Item—Page 787.

USH PUBLIC SCHOOL, MICH. OW ANNEXED TO SCH. DIST. F THE CITY OF MT. PLEASANT, CH.)
Bldg. Bonds, dated Oct. 1, 1959.
8, 1966, Called in Part at Citizens Bank, Big Rapids, Mich.

Called	Price	Call Date
,000	102	Apr. 1, '66

bers Called (Incl.)—$1,000 Denom.
Apr. 1, 1967-74—36 to 115
ous Item—Page 787.

OL DIST. OF THE CITY OF AY, MICH.
—Bay City, Mich., Sch. Dist. No. 5.

OL DIST. OF THE CITY OF ALAMAZOO
—Kalamazoo Township, Mich., Sch. No. 2.

OL DISTRICT OF THE CITY OF T. PLEASANT, MICH.
—Rosebush Public School Dist., Mich.

RAUGH TOWNSHIP, MICH., PUBLIC SCHOOLS
Bldg. Bonds, dated Mar. 1, 1958.
8, 1966, Called in Part at Detroit & Trust Co., Detroit.

Called	Price	Call Date
,000	102	Apr. 1, '66

bers Called (Incl.)—$1,000 Denom.
Apr. 1, 1974-75—681 to 714
ous Item—Page 781.

LON CORP. (FORMERLY REDONDO TILE CO.)
d. S. F. Deb. 5¾s, due Oct. 1, 1970.
8, 1966, Called in Part for S. F. United California Bank, Los Angeles.

Called	Price	Call Date
$42,500	100	Apr. 1 '66

Numbers Called—$1,000 Denom.

	10	42	58	70	87	93
	160	247	249	254	291	301

$500 Denomination

	23	26	39	71	110	111
	195	207	218	253	260	261
	310	311	323	347	371	440
	510	519	520	574	604	619
	635	647	693	712	740	767
	832	856	857	870	899	906
	951	971	993	996	1005	1028
	1072	1026	1050	1079	1087	

ous Item—Page 784.

SUMMERFIELD SCHOOL DIST., MICH.
Sch. Bldg. Bonds, dated Mar. 1, 1957.
Mar. 8, 1966, Called in Part at City National Bank, Detroit.

Amt. Called	Price	Call Date
$25,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1972-73—138 to 158

TECUMSEH PUBLIC SCHOOLS, MICH.
Sch. Bldg. & Site Bonds, dated May 1, 1957.
Mar. 8, 1966, Called in Part at Detroit Bank & Trust Co., Detroit, or Chemical Bank New York Trust Co., NYC.

Amt. Called	Price	Call Date
$100,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1972-73—1366 to 1465

UPPER MERION TOWNSHIP SCHOOL AUTH., PA.
Sch. Rev. 2.95s & 3s, 1958 Series.
Mar. 9, 1966, Called in Part at Continental Bank & Trust Co., Norristown, Pa.

Amt. Called	Price	Call Date
34 Bonds	100	*May 15, '66

*Coupons should remain attached.
Numbers Called Incl.:
2.95%, Due May 15, 1967
191 to 220
3%, Due May 15, 1968
229 237 241 250
Previous Item—Page 786.

VICKSBURG COMMUNITY SCHOOLS, MICH.
Sch. Bldg. & Site Bonds, dated Mar. 1, 1957.
Mar. 8, 1966, Called in Part at Detroit Bank & Trust Co., Detroit.

Amt. Called	Price	Call Date
$30,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1972-73—451 to 480
Bldg. & Site Bonds, dated Apr. 1, 1959.
Mar. 8, 1966, Called in Part at First National Bank & Trust Co., Kalamazoo, Mich., or Detroit Bank & Trust Co., Detroit.

Amt. Called	Price	Call Date
$35,000	102	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1976-77—581 to 615
Previous Item—Page 786.

WATERVLIET SCH. DIST. NO. 62, FRACTL., MICH.
Sch. Bldg. Bonds, dated Oct. 1, 1959.
Mar. 8, 1966, Called in Part at Detroit Bank & Trust Co., Detroit.

Amt. Called	Price	Call Date
$40,000	103	Apr. 1, '66

Numbers Called (Incl.) $1,000 Denom.
Due Apr. 1, 1973-74—291 to 330
Previous Item—Page 786.

WHITE PIGEON COMMUNITY SCH. DIST., MICH.
Bldg. Bonds, dated Aug. 1, 1957.
Mar. 8, 1966, Called in Part at Detroit Bank & Trust Co., Detroit.

Amt. Called	Price	Call Date
$50,000	101½	Apr. 1, '66

Numbers Called (Incl.)—$1,000 Denom.
Due Apr. 1, 1967-70—96 to 145
Previous Item—Page 668.

WILLIAMS (TOWNSHIP OF), MICH., BAY COUNTY, MICH., SCH. DIST. NO. 5
See—Bay City, Mich., Sch. Dist. No. 5.

WILWAUKEE SCH. DIST., MICH.
Bonds, dated Mar. 1, 1960.
Mar. 8, 1966, Called in Part at City Bank & Trust Co., Jackson, Mich.

Amt. Called	Price	Call Date
$22,000	102	Apr. 1, '66

Numbers Called—$1,000 Denom.
Due Apr. 1, 1968—243 to 264 incl.
Previous Item—Page 788.

Stock Calls

Announced Since Weekly Calls Section (Buff) dated Mar. 4, 1966

WAKEFIELD CORP.
Common Stock ($1 Par).
Initial Liquidating Distribution of $17 per share on above Stock will be made Mar. 22, 1966, upon surrender of Ctfs., together with Letter of Transmittal, to the National Bank of Detroit, Detroit, Mich.

Tenders Asked Stock Proposals

Announced Since Weekly Calls Section (Buff) dated Mar. 4, 1966

LOUISVILLE CEMENT CO.
Common Stock ($5 Par)
Purchase Offer—Mar. 7, 1966, Co. has offered to purchase shares of the above stock, sufficient to exhaust $1,500,000, at a price not exceeding $16.75 per share. Ctfs., together with required Letter of Transmittal should be forwarded to Citizens Fidelity Bank & Trust Co., Louisville, Ky., by 3:00 P.M., Mar. 25, 1966.

McKAY MACHINE CO.
Common Stock (No Par)
Purchase Offer—Mar. 8, 1966, Glore Forgan, Wm. R. Staats Inc., as Agent for Wean Engineering Co. Inc., has offered to purchase 70,000 shares of above stock at $35 per share, net. Offer is contingent upon at least 70,000 shares being tendered. Regular quarterly dividend will be paid on shares tendered. Ctfs., together with required Letter of Transmittal should be forwarded to Glore Forgan, Wm. R. Staats Inc., or Manufacturers Hanover Trust Co., NYC, by 5:00 P.M., Mar. 28, 1966.

RUBEROID CO.
Capital Stock ($1 Par).
Purchase Offer Extended—W. R. Grace & Co. has further extended until 5:00 P.M., Mar. 17, 1966, the termination date of the offer to holders of above Stock, details of which were published on Page 535.

Income Bond Interest Payments For 1966

Announced Since Weekly Calls Section (Buff) dated Mar. 4, 1966

Amount	Cpn. No. or Record Date	Payment Date	Total Unpaid Interest
Chicago Great Western Railway Gen. Inc. 4½s, 2038			
4½%	Mar 15	Apr 1	Nil
Missouri Pacific Railroad Co. Gen. Inc. A 4¾s, 2020			
4¾%	Mar 18	Apr 1	------
Gen. Inc. B 4¾s, 2030			
4¾%	Mar 18	Apr 1	------
Inc. Deb. 5s, 2045			
5%	Mar 18	Apr 1	------
Peoria & Eastern Ry. Inc. 4s, 1990			
4%	76	Apr 1	------

Convertible Securities and Privileges

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MAR. 29, 1966

Boeing Co. (formerly Boeing Airplane Co.) Conv. Subord. Deb. 4½s, due July 1, 1980.
Right to convert into 2 Com. shares par $100 prin. amt. expires Mar. 29, 1966.

APR. 5, 1966

Automatic Retailers of America, Inc., Conv. Subord. Deb. 5s, Ser. A, due Nov. 1, 1975.
Right to convert into Com. stock at $26.25 per share expires Apr. 5, 1966.

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EXHIBIT 1.5

WEEKLY CUMULATIVE INDEX SECTION

STANDARD & POOR'S

SEMI-WEEKLY

CALLED BOND RECORD

FRIDAY, MARCH 11, 1966

Weekly Index to Bond and Stock Calls

(Announced subsequent to January 21, 1966, Quarterly Cumulative Section)

For previously announced calls—see Yellow Cumulative Index

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STANDARD & POOR'S CORPORATION, Publishers

Published at Grange, Conn. Executive Offices, 345 Hudson St., New York, N.Y. 10014

EXHIBIT 1.5

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Villa Rica, Ga. 4½% Nat. Gas Rev. Ctfs., Series B, dated 1964. Page 534
Vincent, Ala., Water Works Board, 1st Water 4½s, Ser. A, dated 1963. Page 530
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W. Virginia, W. Va. Agric. & Engin. Bldg. Rev. Bds., dated 1959. Page 524
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Crampton Mfg. Co., 1st 5½s, 1975.

APR. 10, 1966
Scott (O. M.) & Sons Co., Profit Sharing Trust, 1st 5s, dated 1954.

APR. 11, 1966
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Pasadena Indep. Sch. Dist., Tex., Athletic Stadia Rev. 4s & 4½s, 1964-A Ser., dated 1961. Page 523
Pottstown Sch. Dist. Auth., Pa., Sch. Rev. Bds., 1939 Ser. 1966. Page 523

Income Bond Interest Payments For 1966

Announced Since Quarterly Calls Section dated Jan. 21, 1966

Amount	Cpn. No. or Record Date	Payment Date	Total Unpaid Interest
American Service Co. Subord. Cum. Inc. Deb. 4½s, 1979			
2¼%	415	Apr 1	Nil
American Steel & Pump Corp. Inc. A 4s, 1994.			
4%	Mar 21	Apr 1	Nil
Baltimore Transit Co., Subord. Inc. Deb. 6½s, 1977.			
3½%	Jan 3	Jan 15	Nil
Bedford Belt Railway 1st 4½s (5¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int.; fxd. int. pd. J. & J. 1.			
Budget Finance Plan Subord. Cap. Inc. Deb. A 6s, 2010			
1½%	Dec 28	Jan 1	Nil
Chicago & Eastern Illinois Railroad Gen. Inc. 5s, 1997			
5%	27	Apr 1	Nil
Inc. Deb. 5s, 2054			
2½%	23	May 1	Nil
2½%	24	Nov 1	Nil
Chicago Great Western Railway Gen. Inc. 4½s, 2038			
4½%	Mar 15	Apr 1	Nil
Chicago, Mil., St. Paul & Pacific RR. Non-Cum. Inc. Deb. A 5s, 2055			
2½%	21	Mar 16	------
Gen. Inc. A 4½s, 2019			
4½%	21	Apr 1	Nil
Chicago & North Western Railway Co. 2nd Conv. Inc. A 4½s, 1999			
4½%	Mar 11	Apr 1	Nil
Chicago, Terre Haute & Southeastern Railway Co. 1st & Ref. 4½s, (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
Inc. 4½s, (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int., fxd. int. pd. J. & J. 1.			
Cincinnati Transit Co., Inc. 4½s, 1998.			
4½%	Feb 25	Mar 15	Nil
Curtis Publishing Co. 30-Yr. Cum. Inc. Subord. Deb. 6s, 1986			
3%	19	Apr 1	6%
Denver & Rio Grande Western RR. 1st A 3-4s, (1% Conting), 1993			
*1%	Apr 1	Apr 1	------
Inc. A 4½s, 2018			
4½%	Apr 1	Apr 1	------
Denver & Salt Lake (Mod.) Inc. 3-4s, 1993			
*1%	Apr 1	Apr 1	------
*Conting. int.; fxd. int. pd. J. & J. 1.			
Erie Railroad (Now Erie Lackawanna RR.) Lack. of N. J. Div. 1st E 4s, 1963			
Nil	18	May 1	12%
Florida East Coast Railway 2nd Conv. Inc. A 5¼s, 2011			
5.22%	10	Mar 1	16.47%
Hydraulic-Press Brick Co. Inc. Deb. 5½s, 1977			
2¾%	Mar 31	Apr 1	Nil
Indiana Limestone Co. Inc., Gen. Income 4s, 1975.			
2%	Dec 31	Jan 15	Nil
Kansas City Stock Yards 40-Yr. Inc. Deb. 5s, 1991.			
1.25%	------	Feb 1	Nil
Missouri Pacific Railroad Co. Gen. Inc. A 4¾s, 2020			
4¾%	Mar 18	Apr 1	------
Gen. Inc. B 4¾s, 2030			
4¾%	Mar 18	Apr 1	------
Inc. Deb. 5s, 2045			
5%	Mar 18	Apr 1	------
Monon Railroad Inc. Deb. 6s, 2007			
6%	Mar 25	Apr 1	
Chic., Ind. & Lville. Ry. 1st A 4s,			
4%	Mar 25	Apr 1	
2nd Inc. A 4½s, 2003			
4½%	Mar 25	Apr 1	
New Orleans Great Northern Ry., Cons. Inc. Deb. 5s, 2032.			
2½%	Dec 27	Jan 1	
North Carolina Natural Gas Corp., Subord. Inc. Deb. 6s, 1983.			
7.0451%	------	Feb 15	
Ocean Center Bldg. Co., 1st Extd. Ins. 1968.			
*2½%	------	Nov 18	
*Covers period 5-1-62 to 10-31-62.			
Peoria & Eastern Ry. Inc. 4s, 1990			
4%	76	Apr 1	
Sheraton Corp. of America 6¼% S.F. Cum. Inc. Subord. Debs. 1981			
1.625%	Dec 31	Jan 1	
1.625%	Mar 31	Apr 1	
7½%	**Cap. Inc. S. F. Debs., Jan. 1, 1989**		
3¾%	Dec 20	Jan 1	
Southern Indiana Railway Co. 1st 4½s, 1994			
*1½%	C20	Apr 1	
*Income int.; fxd. int. pd. J. & J. 1.			
Southwest Forest Industries Inc. Deb. 6½s, 1985			
3¼%	Dec 21	Jan 1	
Wacker-Wabash Corp. (Chicago) Extd. Cum. Inc. 5s, Now 7s, 1985			
3½%	------	Jan 1	77½%
Wolverine Power Corp. Extd. Adj. A 3-4½s, 1979			
*¾%	------	Jan 1	9¾%
*Contingent interest—1½% regular interest will also be paid June 1, 1966.			

Convertible Securities and Privileges

Additions to page 525 list. Warrants or privileges expiring or changing on or before June 30, 1966

MAR. 29, 1966

Boeing Co. (formerly Boeing Airplane Co.), Conv. Subord. Deb. 4½s, due July 1, 1980.
Right to convert into 2 Com. shares per $100 prin. amt. expires Mar. 29, 1966.

APR. 1, 1966

Bush Hog, Inc., Conv. Subord Deb. 6½s, due Apr. 1, 1973.
Right to convert into Com. Stock at $10 per share expires Apr. 1, 1966.

Teledyne, Inc. $1 Cum. Conv. Ser. A Pfd. ($1 Par).
Right to convert into one Com. share expires Apr. 1, 1966.

APR. 5, 1966

Automatic Retailers of America, Inc., Conv. Subord. Deb. 5s, Ser. A, due Nov. 1, 1975.
Right to convert into Com. stock at $26.25 per share expires Apr. 5, 1966.

This publication is for the confidential use of subscribers only. Information has been obtained from sources believed to be reliable, but its accuracy and completeness, and that of the opinions based thereon, are not guaranteed.

EXHIBIT 1.5

WEEKLY CUMULATIVE INDEX SECTION

STANDARD & POOR'S

SEMI-WEEKLY

CALLED BOND RECORD

FRIDAY, MARCH 18, 1966

Weekly Index to Bond and Stock Calls

(Announced subsequent to January 21, 1966, Quarterly Cumulative Section)

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Conversion Changes ..... Page 4 (This Section)

STANDARD & POOR'S CORPORATION, Publishers

Published at Orange, Conn. Executive Offices, 345 Hudson St., New York, N.Y. 10014

SHRAFFTER (W. G.) PEN CO. (NOW S. LIQUIDATING CO.)

Common Stock ($1 Par).

Initial Liquidating Distribution of $11.25 per share on above Stock to be made Apr. 5, 1966, upon surrender of Ctfs. at Harris Trust & Savings Bank, Chicago.

Tenders Asked Bond Proposals

Announced Since Weekly Calls Section (Buff) dated Mar. 4, 1966

UNITED GAS CORP.

1st & Coll. Tr. Bonds: 2¾s, due Jan. 1, 1970; 2¾s, due July 1, 1971; 3¼s, due Feb. 1, 1972; 3¼s, due Nov. 1, 1975; 6¼s, due Mar. 1, 1972.

For Sinking Fund—By Morgan Guaranty Trust Co., NYC.

Amt. Avail.	Max. Price	Date
2¾s, 1970 $1,070,262.05	100.33	
2¾s, 1971 $2,230,706.25	100.89	
3¼s, 1972 $2,191,718.25	100.93	Mar. 24, '66 (3:00 P. M.)
3¼s, 1975 $786,120.10	101.06	
6¼s, 1972 $1,001,569.00	101	

Tenders should specify Series, numbers, principal amount and price at which offered. Accepted Bonds to be delivered on or after Apr. 1, 1966, on which date interest ceases. (Mar. 15, 1966)

S. F. Deb. 2¾s, due Oct. 1, 1972.

For Sinking Fund—By Irving Trust Co., NYC.

Amt. Avail.	Max. Price	Date
$1,002,176.50	100.35	Mar. 24, '66 (3:00 P. M.)

Tenders should state numbers, principal amount & price at which offered. Accepted Bonds to be delivered on or after Apr. 1, 1966, on which date interest ceases. (Mar. 16, 1966)

NOTE—Dates shown below items listed above are those of first official publication.

Tenders Asked Stock Proposals

Announced Since Weekly Calls Section (Buff) dated Mar. 11, 1966

AMERICAN THREAD CO.

5% Cum. Pfd. Stock ($5 Par).

Purchase Offer Extended—Co. has extended until Mar. 18, 1966, the termination date of the offer to holders of above Stock, details of which were published on Page 439.

BOND STORES, INC.

Common Stock ($1 Par).

Purchase Offer—Co. offered to purchase 200,000 shares of above Stock at $30 per share. The offer expires Mar. 29, 1966. First National City Bank, NYC, is transfer agent for this issue.

CENTRAL TELEPHONE CO.

Common Stock ($10 Par).

Proposed Exchange Offer — Western Power & Gas Co. proposed to exchange 1.3 shares of its Common stock for each outstanding share of above stock. The offer would be contingent upon at least 1,000,000 shares being tendered. Further details will be published when available.

GOULD PROPERTIES, INC.

10% Subord. Debs., due May 14, 1972.

Exchange Offer—Co. offered to exchange $2,982,250 of 6½% Conv. Subord. Debs., due Mar. 1, 1984 & 49,440 Com. shares for all of the above Debs. on the basis of $1,000 6½% Deb. & 17 Com. shares for each $1,000 10% Deb. Debs., together with Exchange Transmittal Form should be forwarded to Registrar & Transfer Co. of New Jersey, Jersey City, by 5:00 P. M., Apr. 15, 1966.

GREATER WINNIPEG GAS CO.

Common Stock (No Par).

Exchange Offer Extended—Northern & Central Gas Co. has further extended until Apr. 15, 1966, the termination date of the offer to holders of above Stock, details of which were published on Page 598.

MIDLAND SHOE COMPANY

Capital Stock ($1 Par).

Exchange Offer — Craddock-Terry Shoe Corp. has offered to exchange 52,510 Com. shares for all the outstanding shares of above Stock on the basis of 3 Craddock-Terry Com. shares for each 4 shares of above Stock. Ctfs., together with required Letter of Transmittal should be forwarded to Mercantile Trust Co., N.A., St. Louis, Mo., by 2:00 P. M., Apr. 18, 1966.

SPECTOR FREIGHT SYSTEM, INC.

Common Stock ($1 Par).

Offer Extended—Spector Industries has further extended until Mar. 31, 1966, the termination date of the offer to holders of above Stock, details of which were published on Page 597.

Calendar of Redemption Dates

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(No page number—see this issue)

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†Colorado Fuel & Iron Corp. 5% Ser. A & 5½% Ser. B Pfd. (Called Apr. 15, 1966).

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†Denotes addition.

Redemption Calendar

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MacAndrews & Forbes Co., Conv. Subord. Deb. 5s, 1987. Page 523

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Amount	Cpn. No. or Record Date	Payment Date	Total Unpaid Interest
American Service Co.			
Subord. Cum. Inc. Deb. 6½s, 1979			
2¼%	418	Apr 1	Nil
American Steel & Pump Corp.			
Inc. A 4s, 1994.			
4%	Mar 21	Apr 1	Nil
Baltimore Transit Co., Subord. Inc. Deb. 6½s, 1977.			
3½%	Jan. 3	Jan. 15	Nil
Bedford Belt Railway			
1st 4½s (2¼% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int.; fxd. int. pd. J. & J. 1.			
Boston Insurance Exchange Bldg.			
1st Lahld. Cum. Inc. 5s, 1968.			
5%	166	Apr 1	Nil
Budget Finance Plan			
Subord. Cap. Inc. Deb. A 6s, 2010			
1½%	Dec 28	Jan. 1	Nil
Chicago & Eastern Illinois Railroad			
Gen. Inc. 5s, 1997			
5%	27	Apr 1	Nil
Inc. Deb. 5s, 2054			
2½%	23	May 1	Nil
2½%	24	Nov 1	Nil
Chicago Great Western Railway			
Gen. Inc. 4½s, 2038			
4½%	Mar 15	Apr 1	Nil
Chicago, Mil., St. Paul & Pacific RR.			
Non-Cum. Inc. Deb. A 5s, 2056			
2½%	21	May 16	------
Gen. Inc. A 4½s, 2019			
4½%	21	Apr 1	Nil
Chicago & North Western Railway Co.			
2nd Conv. Inc. A 4½s, 1999			
4½%	Mar 11	Apr 1	Nil
Chicago, Terre Haute & Southeastern Railway Co.			
1st & Ref. 6½s, (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
Inc. 6½s, (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int., fxd. int. pd. J. & J. 1.			
Chicago & West Towns Bys. (Now West Towns Bus Co.)			
Non-Cum. Inc. 6s, 2024.			
6%	Mar 22	Apr 1	Nil
Cincinnati Transit Co., Inc. 4½s, 1998.			
4½%	Feb 26	Mar 15	Nil
Curtis Publishing Co.			
20-Yr. Cum. Inc. Subord. Deb. 6s, 1986			
3%	19	Apr 1	6%
Denver & Rio Grande Western RR.			
1st A 5-4s, (1% Conting), 1993			
*1%	Apr 1	Apr 1	------
Inc. A 4½s, 2018			
4½%	Apr 1	Apr 1	------
Denver & Salt Lake (Mod.) Inc. 5-6s, 1993			
*1%	Apr 1	Apr 1	------
*Conting. int.: fxd. int. pd. J. & J. 1.			
Erie Railroad (Now Erie Lackawanna RR.)			
Lack. of N. J. Div. 1st B 4s, 1969			
Nil	18	May 1	12½
836 Fifth Ave. Corp., (Pittsburgh)			
Reg'd. Non-Cum. Inc. Deb. 6½s, 1969			
1%	Mar 15	Apr 1	Nil
Florida East Coast Railway			
2nd Conv. Inc. A 5½s, 2011			
5.22%	10	May 1	16.47%
Hydraulic-Press Brick Co.			
Inc. Deb. 5½s, 1977			
2¾%	Mar 31	Apr 1	Nil
Indiana Limestone Co. Inc., Gen. Income 6s, 1978.			
2%	Dec 31	Jan. 15	Nil

EXHIBIT 1.5

Exhibit 1.5 - Standard & Poor's Called Bond Record

STANDARD & POOR'S

SEMI-WEEKLY

CALLED BOND RECORD

FRIDAY, MARCH 25, 1966

WEEKLY
MULATIVE
NDEX
SECTION

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Super Valu Stores, Inc. $0.97 Cum. Conv. Ser. A 2nd Pfd. Page 534
Tuboscope, Inc., $1 Cum. Conv. Pfd. Page 518

APR. 8, 1966

Boeing Co., Conv. Subord. Deb. 4½s, due 1980. Page 515
Crompton Mfg. Co., 1st 5½s, 1975. Page 516

APR. 10, 1966

Scott (O. M.) & Sons Co., Profit Sharing Trust, 1st 6s, dated 1964. Page 517

APR. 11, 1966

Automatic Retailers of Amer., Inc., Conv. Subord. Deb. 6s, due 1973. Page 515
Miller Mfg. Co., S. F. Deb. 6s, 1973. Page 511

APR. 15, 1966

Belgium, 15-Yr. Extl. Loan S. F. 5¼s, Ser. A & AA, 1974. Page 509
Colorado Fuel & Iron Corp., 5% Ser. A 5½% Ser. B Cum. Pfd. Page 524
Conv. of the Third Order of St. Francis of Mary Immaculate, (Joliet, Ill.), 5½% Dir. Oblig. Serial Notes, 1971. Page 516
Eastland, Tex., Ref. 3s, dated 1941. Page 522
Edmonton, Alberta, S. F. Deb. 4¾s, 1983. Page 510
General Dynamics Corp., Conv. Pref. Stock. Page 511
Germany, Extl. Loan 1924, Extn. Issue 1953, 5½% Dollar Bds., 1969. Page 510
Greenville, Tex., Impr. Bds., Ser. dated 1961 & 1962. Page 573
Hedley Indep. Sch. Dist., Tex., Ref. Bds., dated 1944. Page 529
Iowa-Illinois Gas & Electric Co., 1st 5s, 1990. Page 516
Melville Shoe Corp., 25-Yr. Deb. 4⅝s, 1986. Page 511
Muney Water Supply Co., 1st 4s, 1967.
New York Central RR., Coll. Tr. 6s, 1980. Page 511
New Zealand Govt., 15-Yr. 5⅝s, 1976. Page 517
Newfoundland Govt. Bldg. Corp. Ltd., 1st 6s, due 1968. Page 517
Pasadena Indep. Sch. Dist., Tex., Athletic Stadia Rev. 4s & 4½s, 1964-A Ser., dated 1964. Page 523
Pottstown Sch. Dist. Auth., Pa., Sch. Rev. Bds., 1939 Ser., 1998. Page 523
Santa Fe, N. Mex., Sch. Dist. Bds.
Sterling, Colo., Southwest Curb, Gutter, Walk & Storm Sewer Dist., Local Impr. Bds., Series 1956. Page 511

APR. 20, 1966

Chatham Corp., 5% Cum. Conv. Pfd.

Income Bond Interest Payments For 1966

Announced Since Quarterly Calls Section dated Jan. 21, 1966

Amount	Cpn. No. or Record Date	Payment Date	Total Unpaid Interest
American Service Co. Subord. Cum. Inc. Deb. 4½s, 1979			
2¼%	419	Apr 1	Nil
American Steel & Pump Corp. Inc. A 4s, 1994.			
4%	Mar 21	Apr 1	Nil
Armour & Co. Subord. Cum. Inc. Deb. 5s, 1984			
2½%	23	May 1	Nil
Baltimore Transit Co., Subord. Inc. Deb. 6s, 1977.			
3½%	Jan. 3	Jan. 15	Nil
Bedford Belt Railway 1st 4½s (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int.; fxd. int. pd. J. & J. 1.			
Boston Insurance Exchange Bldg. 1st Lshld. Cum. Inc. 5s, 1968.			
5%	166	Apr 1	Nil
Budget Finance Plan Subord. Cap. Inc. Deb. A 6s, 2010			
1½%	Dec 28	Jan. 1	Nil
Chicago & Eastern Illinois Railroad Gen. Inc. 5s, 1997			
5%	27	Apr 1	Nil
Inc. Deb. 5s, 2054			
2½%	23	May 1	Nil
2½%	24	Nov. 1	Nil
Chicago Great Western Railway Gen. Inc. 4½s, 2038			
4½%	Mar 15	Apr 1	Nil
Chicago, Mil., St. Paul & Pacific RR. Non-Cum. Inc. Deb. A 5s, 2055			
2½%	21	Mar 15	------
Gen. Inc. A 4½s, 2019			
4½%	21	Apr 1	Nil
Chicago & North Western Railway Co. 2nd Conv. Inc. A 4½s, 1999			
4½%	Mar 11	Apr 1	Nil
Chicago, Terre Haute & Southeastern Railway Co. 1st & Ref. 5½s, (2¾% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
Inc. 4½s, (2¼% Fxd.), 1994			
*1½%	C20	Apr 1	Nil
*Income int., fxd. int. pd. J. & J. 1.			
Chicago & West Towns Rys. (Now West Towns Bus Co.) Non-Cum. Inc. 6s, 2004.			
6%	Mar 22	Apr 1	Nil
Cincinnati Transit Co., Inc. 4½s, 1998.			
4½%	Feb. 25	Mar 15	Nil
Curtis Publishing Co. 30-Yr. Cum. Inc. Subord. Deb. 6s, 1986			
3%	19	Apr 1	6%
Denver & Rio Grande Western RR. 1st A 3-4s, (1% Conting), 1993			
*1%	Apr 1	Apr 1	------
Inc. A 4½s, 2018			
4½%	Apr 1	Apr 1	------
Denver & Salt Lake (Mod.) Inc. 3-4s, 1993			
*1%	Apr 1	Apr 1	------
*Conting. int.; fxd. int. pd. J. & J. 1.			
Erie Railroad (Now Erie Lackawanna RR.) Lack. of N. J. Div. 1st B 4s, 1986			
Nil	18	May 1	12%
535 Fifth Ave. Corp., (Pittsburgh) Reg'd. Non-Cum. Inc. Deb. 6½s, 1969			
1%	Mar 15	Apr 1	Nil
Florida East Coast Railway 2nd Conv. Inc. A 5½s, 2011			
5.22%	10	Mar 1	16.47%
Hydraulic-Press Brick Co. Inc. Deb. 5½s, 1977			
2¾%	Mar 31	Apr 1	Nil
Indiana Limestone Co. Inc., Gen. Income 4s, 1975.			
2%	Dec 31	Jan 15	Nil
Kansas City Stock Yards 40-Yr. Inc. Deb. 5s, 1991.			
1.25%	------	Feb 1	Nil
Minneapolis, St. Paul & SS Marie RR. (Now Soo Line RR.) 1st Cum. Inc. A 4½s, 1971			
4½%	22	May 1	Nil
Gen. Inc. A 4s, 1991			
4%	Apr 21	May 1	Nil
Missouri-Kansas-Texas Railroad Co. Adjustment A Gold 5s, 1967			
2½%	87	Apr 1	Nil
Missouri Pacific Railroad Co. Gen. Inc. A 4¾s, 2020			
4¾%	Mar 18	Apr 1	
Gen. Inc. B 4½s, 2020			
4½%	Mar 18	Apr 1	
Inc. Deb. 5s, 2045			
5%	Mar 18	Apr 1	
Monon Railroad Inc. Deb. 6s, 2007			
6%	Mar 25	Apr 1	
Chic., Ind. & Lville. Ry. 1st A			
4%	Mar 25	Apr 1	
2nd Inc. A 4½s, 2003			
4½%	Mar 25	Apr 1	
New Orleans Great Northern Inc. Deb. 5s, 2032.			
2½%	Dec 27	Jan. 1	
North Carolina Natural Gas Corp. Inc. Deb. 6s, 1983.			
7.0451%	------	Feb 15	
Northwestern Terminal RR. Co. 1st Inc. 5s, 1977.			
5%	39	Apr 1	
Nuclear Corp. of America Conv. Subord. Inc. Deb.			
5½%	5	Apr 1	
Ocean Center Bldg. Co., 1st 1968.			
*2½%	------	Nov 18	
*Covers period 5-1-62 to 10-31-			
Pan American Sulphur Co. Inc. Conv. Subord. Deb.			
5%	3	Apr 1	
Peoria & Eastern Ry. Inc. 4s, 1990			
4%	76	Apr 1	
Sabine Royalty, Inc. Deb. 8s, 1968.			
4%		†	
†Paid Dec. 15, 1965, instead of 1966			
Sheraton Corp. of America 6½% S.F. Cum. Inc. Subord. 1981			
1.625%	Dec 31	Jan. 1	
1.625%	Mar 31	Apr 1	
7½% Cap. Inc. S. F. Deb. Jan. 1, 1969			
3¾%	Dec 20	Jan. 1	
Soo Line RR.—See: Minneapolis, St. Paul & SS Marie & Wisconsin Central Railroad			
Southern Indiana Railway Co. 1st 4½s, 1994			
*1½%	C20	Apr 1	
*Income int.; fxd. int. pd. J. &			
Southwest Forest Industries Inc. Deb. 6½s, 1985			
3¼%	Dec 21	Jan. 1	
Wacker-Wabash Corp. (Chicago) Extd. Cum. Inc. 5s, Now			
3½%	------	Jan. 1	
West Towns Bus Co. See—Chicago & West Towns			
Wisconsin Central Railroad (Now RR.) Gen. Inc. A 4½s, 2029			
4½%	12	May 1	
Wolverine Power Corp. Extd. Adj. A 3-4½s, 1979			
*¾%	------	Jan. 1	
*Contingent interest—1¼%			
terest will also be paid June 1,			

Convertible Securities and Privileges

Additions to page 514 list. Warrants, privileges expiring or changing or before June 30, 1966.

APR. 15, 1966

Chatham Corp., 5% Cum. Conv. Pfd. ($10 Par).
Right to convert into 2.5 shares expires Apr. 15, 1966.

MAY 2, 1966

Horne (Joseph) Co., Conv. Subord. 5½s, due Nov. 1, 1973.
Right to convert into Com. $16.75 per share expires May 2.

This publication is for the confidential use of subscribers only. Information has been obtained from sources believed to be reliable, but its accuracy and completeness, and that of the opinions based thereon, are not guaranteed.

Notes payable	1,500,000	1,500,000
[1]Capital stock	13,928,691	12,579,369
Subscrib. stk.	----	[2]1,065,240
Retained earnings	1,945,897	171,498
Total	$20,216,376	$15,339,741
Net current assets	$944,935	$867,598

[1]Liberian American-Swedish Minerals Co.-comprising: cl. B stk., $1,629,250; non-int. cap oblig., at cost, $12,855,662. [2] 3,295,854 (1964, 3,186,667) no par shs. [3] 107,202 shs. after deduct. $257,285 unpaid installments. [4] Incl. $1,-196,519 (1964, $700,000) divs. rec. from Liberian American-Swedish Minerals Co. [5] Incl. $2,-000,000 adv. on acct. of junior sub. deb. to be issued.

To Acquire LAMCO Debs.: See Liberian American-Swedish Minerals Co., this issue. Prev. item, p. 1446.

MURPHY OIL CO. LTD.

Consolidated Income Account, years ended Dec 31 (in Canadian dollars):

	1965	1964
Sales & rev.	$27,979,565	$23,368,866
Cost of sales	22,049,196	18,926,194
Selling, etc., exp.	2,688,976	2,096,643
Dry holes, etc.	508,655	511,061
Depr. & depl.	1,273,150	927,246
Oper. profit	1,459,588	905,722
Other income	65,780	23,498
Total income	1,525,368	929,220
Interest	131,913	32,949
Net income	1,393,455	896,271
Prev. ret. earn.	1,669,229	772,958
Retain. earn., 12-31	3,062,684	1,669,229
Earned per share	$0.51	$0.33
Cash flow, per sh.	0.98	0.67
No. of shares	2,736,607	2,716,607

Consolidated Balance Sheet, as of Dec. 31 (in Canadian dollars):

Assets:	1965	1964
Cash	$813,779	$544,578
Receivables, net	2,390,853	1,796,197
Due parent co.	793,468	1,139,847
[1]Inventories	1,779,344	1,159,457
Total current	$5,777,444	$4,640,079
Net property	18,639,681	16,391,157
Other assets	652,343	395,851
Total	$25,069,468	$21,427,087
Liabilities:		
Accts., etc., pay.	$3,389,621	$3,061,479
Due banks	300,000	420,000
Total current	$3,689,621	$3,481,479
Long term debt	387,932	476,159
Due parent co.	2,088,611	----
Common stock ($1)	2,736,607	2,716,607
Paid-in surplus	13,104,013	13,083,613
Retained earnings	3,062,684	1,669,229
Total	$25,069,468	$21,427,087
Net current assets	$2,087,823	$1,158,600
Net tang. com. sh.	$6.91	$6.43

[1]Lower cost or mkt.

September Report, p. 2157.

Proposed New Pfd.: Stockholders vote Mar. 17 on creation of 400,000 $25 par pfd. shs. which may be issuable in series.

NATIONAL CONTAINERS LTD.

Acquisition is reported of Winnipeg Cooperage Co. Ltd.

QUEMONT MINING CORP. LTD.

Production:	1965	1964
Ore treated (tons)	657,307	752,691
Copp. conct. (tons)	37,357	46,639
Zinc conct. (tons)	21,262	25,522
Gold (ozs.)	75,877	84,331
Silver (ozs.)	343,754	358,589
Copper (lbs.)	12,885,891	16,007,703
Zinc (lbs.)	22,644,269	24,147,668
Ore res. (tons)	2,015,000	2,290,000

Income Account, years ended Dec. 31 (in Canadian dollars):

	1965	1964
Revenue, net	$9,593,083	$10,450,724
Expenditures	5,573,756	6,189,501
Oper. profit	4,019,327	4,261,223
Other income	595,625	537,306
Total income	4,614,952	4,798,529
Depreciation	253,055	271,504
Can. income tax	1,103,500	1,152,585
Quebec prof. tax	545,264	569,632
Net income	2,713,133	2,804,808
Earn. surplus, 1-1	9,469,657	8,718,812
Dividends	2,102,168	2,102,168
Prof. on bonds	103,260	48,205
Earn., surpl., 12-31	10,183,822	9,469,657
Earned per share	$1.29	$1.33
Cash flow, com. sh.	1.41	1.46
Number of shares	2,102,168	2,102,168

Balance Sheet, as of Dec. 31 (in Canadian dollars):

Assets:	1965	1964
Cash	$796,159	$1,190,318
Bonds, cost	10,179,052	9,041,500
Concentrates	2,665,250	2,850,962
Accts. receivable	186,760	91,858
Taxes & prepay.	494,589	586,095
Total current	$14,321,813	$14,092,641
[1]Net property	880,534	884,925
Mine properties	1,052,583	1,053,134
[2]Investments	2,045,351	1,926,801
Total	$18,510,281	$17,957,553
Liabilities:		
Accts. pay. & accr.	$470,575	$431,489
Tax reserve	614,500	816,100
Uncl. dividends	17,046	15,969
Total current	$1,102,121	$1,263,558
[3]Capital stocks	7,224,338	7,224,338
Earned surplus	10,183,822	9,469,657
Total	$18,510,281	$17,957,553
Net current assets	$13,429,692	$12,829,135
Net tang. per sh.	$8.38	$7.94
[4]Depreciation	$10,478,508	$10,240,876

[1] 2,102,168 no par shs. [2] At or below cost; mkt. val., $6,217,734 (1964, $5,940,591).

September Report, p. 2006.

REED PAPER GROUP LTD.

Affiliate Private Placement: See Intercontinental Pulp Co. Ltd., Canadian section this issue.

REICHHOLD CHEM. (CANADA) LTD.

Consolidated Sales and Earnings, years ended Dec. 31 (in Canadian dollars):

	Net Sales	Net Profit	No. of Com. Shs.	Earn. Com. Sh.
1965	11,231,734	[1]425,189	143,750	2.79
1964	9,712,514	444,173	143,750	2.92

[1]After $25,504 ($0.18 a sh.) write-off of Phthalic Anhydride plant.

SANGAMO CO. LTD.

Income Account, years ended Dec. 31 (in Canadian dollars):

	1965	1964
Net sales	$12,184,990	$11,846,804
Costs & exps.	11,266,483	11,128,003
Depreciation	353,866	317,245
Interest	111,304	115,500
Income taxes	217,000	137,000
Net profit	236,337	149,056
Retain. earn., 1-1	3,619,159	3,506,345
Dividends	54,363	36,242
Retain. earn., 12-31	3,801,133	3,619,159
Earn. com. share	$1.30	$0.82
Cash flow, com. sh.	3.53	2.78
No. of com. shares	181,212	181,212

Balance Sheet, as of Dec. 31 (in Canadian dollars):

Assets:	1965	1964
Accounts rec.	$1,548,089	$1,576,628
[1]Inventories	4,534,826	3,662,890
Tender & pref. dep.	157,125	262,913
Prepayments	65,231	37,741
Total current	$6,305,271	$5,540,172
[2]Net property	1,953,475	1,937,105
Land	126,595	126,595
Other assets	86,283	91,383
Total	$8,471,624	$7,695,255
Liabilities:		
Notes pay.	$1,154,778	$640,206
Accounts pay., etc.	888,380	791,082
Income taxes	182,198	174,673
Total current	$2,225,356	$1,605,961
Def. inc. taxes	240,000	190,000
Long-term debt	1,700,000	1,775,000
[3]Common stock	505,135	505,135
Retain. earn.	3,801,133	3,619,159
Total	$8,471,624	$7,695,255
Net current assets	$4,079,915	$3,934,211
Net tang. com. sh.	$23.76	$22.76
[4]Depreciation	$4,263,297	$1,937,105

[1]Lower cost (fifo) mkt. [2] 181,212 no par shs.

STEEP ROCK IRON MINES LTD.

Awards Contract: See Dravo Corp., this issue.

UNION CARBIDE CANADA LTD.

Acquires Option to purchase Metal Mines Ltd. holdings in Smelter Power Corp. consisting of 66,666 pref. and 66,667 com. shs. for $250,000. Option is exercisable up to Mar. 14, 1966. Prev. item, p. 2523.

ZODIAC LTD.

Consolidated Income Account, (in Canadian dollars):

	Year ended Oct. 31,'65	7 mos. to Oct. 31,'64
Net sales	$6,194,493	$3,073,535
Other income	76,968	53,337
Total income	6,271,461	3,126,872
Costs & exp.	5,719,636	2,816,527
Interest, etc.	235,137	100,318
Depreciation	126,732	44,516
Income taxes	68,700	59,836
Gain invest. sold	118,156	45,259
Net income	239,412	150,914
Prev. retain. earn.	282,842	151,428
Cl. A divs.	96,306	22,500
Debits	23,088	----
Retain. earn.	402,861	282,842
Earned Cl. A sh.		
Primary basis	$0.56	[1]$2.01
Partic. basis	0.43	[2]1.43
[3]Earn. cl. B sh.	0.19	[4]0.73
No. of cl. A shs.	428,960	[5]75,000
No. of cl. B shs.	300,000	[6]60,000

[1]On participating basis. [2] $0.40 on 375,000 shs. adj. for 5-for-1 stk. split 3/65. [3] $0.15 on 300,000 shs. adj. for stk. split, 3/65. [4] $0.29 adj. for stk. split.

Balance Sheet, as of Oct. 31, (in Canadian dollars):

Assets:	1965	1964
Cash	$77,241	$66,435
Receivables, net	878,668	1,943,395
Inventories	1,357,018	1,549,785
Prepayments	35,277	74,512
Total current	$2,348,234	$3,630,127
[1]Net property	2,277,379	2,053,445
Inv. in sub., cost	1,961,458	980,138
Other invest.	1,014,558	462,925
Other assets	84,769	110,748
Total	$7,686,398	$7,237,383
Liabilities:		
Bank loans	$927,950	$695,100
Notes, etc., pay.	439,000	499,763
Accts., etc., pay.	430,995	547,265
Inc., etc., taxes	57,591	69,114
Total current	$1,855,536	$1,811,242
Long term debt	2,669,419	2,702,005
Def. tax credit	92,603	28,818
Cl. A stk. ($20)	1,715,840	1,500,000
Cl. B stk. ($5)	300,000	300,000
Earned surplus	402,864	282,842
Contributed surp.	37,660	----
Exc. apprais. land	612,476	612,476
Total	$7,686,398	$7,237,383
Net current assets	$492,698	$1,818,885
[2]Depreciation	$1,634,143	$1,527,318

CALL NOTICES

INDUSTRIAL CALLS

Boeing Airplane Co. (now The Boeing Co.), conv. subord. deb. 4½s, July 1, 1980: Entire issue at 103.25 on Apr. 8, 1966 at Chase Manhattan Bank (N.A.), NYC. Convertible into capital stock at rate of two shs. for each $100 debs. until close of business Mar. 29, 1966.

Crampton Manufacturing Co., 1st 5½s, due 1975: Entire issue at 104 on Apr. 8, 1966 at Bank of New York, NYC.

Prepayment Offer: Holders may present bonds beginning Mar. 8, 1966 and receive full redemption price, including interest to Apr. 8, 1966.

National Sewer Pipe Ltd., 1st 5½s, Jan. 2, 1973: Entire issue at 100 on Mar. 31, 1966 at any branch in Canada (Yukon Territory excepted) of Bank of Montreal.

Princess Homes, Inc., deb. 6s, Nov. 15, 1976: $100,000 for s.f. at 100 on Mar. 15, 1966 at Cleveland (O.) Trust Co. Stock purchase warrants attached to debs. expire Mar. 15, 1966.

Coupon debs., $1,000 denomination:

2	10	20	40	49	50	54	64	79	82	84	85
86	92	95	96	100	107	112	114	116	120	122	126
131	139	140	142	143	144	145	146	147	148	149	150
156	167	169	173	175	176	177	179	180	181	186	189
190	196	199	200	202	210	228	265	295	302	324	328
340	349	379	386								

Coupon debs., $500 denomination: 29

Also $35,500 in registered debs. called, holders of which are being notified directly.

Redondo Tile Co., subord. s.f. deb. 5¾s, Oct. 1, 1970 (assumed by Stylon Corp. in merger): $42,500 for s.f. at 100 on Apr. 1, 1966 at United California Bank, Los Angeles.

Coupon debs., $1,000 denomination, M:

6	10	42	58	70	87	93	115	160	247	
249	254	291	301	312						

Coupon debs., $500 denomination, D:

3	23	36	39	71	110	111	123	195	207	
218	253	260	261	268	310	311	323	347	371	
440	457	510	519	520	574	604	619	623	635	
647	693	712	740	767	794	832	856	857	870	
899	906	940	951	971	993	996	1005	1028	1031	
1032	1036	1050	1079	1087						

Stylon Corp., assumed debentures: See Redondo Tile Co., in this issue.

COMPLETE LIST OF NEW CALLS

(Announced from Mar. 8 to 10, incl. Foreign issues not included except where payable in United States or Canada)

Akron Commun. Schools, Mich., bldg. bonds of 1957

Albion Pub. Schools, Mich., bldg. bonds of 1956

Bend, Ore., impr. 4s, ser. No. 9 of 1960

Boeing Airplane Co. (now The Boeing Co.), conv. subord. deb. 4½s, 1980

Caledonia Commun. Schools, Mich., bldg. & site bonds of 1956

Caseville Pub. School Dist., Mich., bldg. bonds of 1955 & 1958

Crampton Mfg. Co., 1st 5½s, 1975

Grand Rapids Twp. Sch. Dist. No. 7, Mich., bonds of 1955

Grand Traverse Co., Mich., county infirmary bonds of 1957

Iowa-Illinois Gas & Electric Co., 1st 5s, 1990

Jackson Co., Mich., medical care facility bonds of 1960

EXHIBIT 1.7 - ARTICLE APPEARING IN THE SEATTLE POST INTELLIGENCER, MARCH 25, 1966

P-I 3-25-66

Everybody's Business

Boeing Debentures

With only three days remaining for owners of a Boeing Co. debentures issue to convert their holdings into common stock of the firm, Seattle securities dealers Thursday voiced concern that many bondholders are unaware of their possible losses if they fail to convert.

The issue is for $30 million, 4½ per cent, due in 1990, issued in 1963. The company called the bonds for redemption on April 8 at $103.75, with the privilege to convert due to expire on Tuesday, on the basis of two common shares for each $100 convertible bond.

The bonds currently are quoted at $301, the stock at about $150. Thus, if owners of the debentures fail to convert, they will in effect lose $200 for each bond. Local securities dealers said most of the issue already has been exchanged but that numerous holders of smaller amounts apparently are unaware of the fast-approaching deadline.

EXHIBIT 1.7

EXHIBIT 1.8 - ARTICLE APPEARING IN THE SEATTLE TIMES, MARCH 27, 1966, PAGE 45

The Seattle Times 45
Sunday, March 27, 1966

BOEING DEBENTURES

Tuesday Deadline For Conversion to Stock

The Boeing Co. last week announced that next Tuesday (March 29) is the final date for conversion of the company's 4½ per cent convertible subordinated debentures to Boeing common stock.

Boeing's announcement was published in The Times last week.

As a public service, however, the following pertinent information is repeated.

The conversion rights provide for issuance of two shares of common stock in the company for each $100 bond.

The company's notice of redemption announced that all outstanding debentures would be redeemed on or after April 8 at the redemption price of 103.25 per cent of their principal amount, together with accrued interest to that date.

Closing price of the stock as of Friday was $154.50, representing a substantial advantage to holders of the bonds if the conversion is elected.

From January 1, 1965, through March 25, 1966, the sales price for the common stock of the company ranged from a high of $175.25 to a low of $60.375 a share.

The company pointed out that so long as the market price of the common stock is $52.24 or more a share, a debenture-holder would receive upon conversion before the March 29 deadline, common stock having a greater value than the cash he would receive if he surrendered the debenture for redemption.

EXHIBIT 1.8

NEWS AND OPINIONS ON ACTIVE STOCKS

Consult individual *Stock Factographs* and *Independent Appraisals* for further vital information and statistical data on these issues. Opinions are based on data and information regarded as reliable but no responsibility is assumed for their accuracy. The opinions expressed should be read in line with the investment policy outlined each week on the Market Outlook page.

AMERICAN BRAKE SHOE B+

Shares still must be regarded as cyclical, but at 69 appear to be reasonably priced.

• A major manufacturer of railroad equipment, company in recent years has reduced its dependence on cyclical railroad demand through an aggressive diversification program. Output now includes hydraulic and electronic items, industrial bearings and castings and friction materials. Company's name is being changed to Abex Corporation as a more suitable reflection of the new diversity. A 2-for-1 stock split will be effected about May 20 to holders of record on May 5. Directors plan then to set a quarterly dividend rate of 40¢ on the new shares, equivalent to 80¢ on the present stock and up from 75¢ currently. Profits in '65 rose to $6.02 a share on sales of $260.2 million from $5.27 and $241.5 million a year earlier.

✓ **BOEING** B

Shares are generously priced at 143, but worth holding on a long term basis.

• Company has called for redemption at 103¼ all of its 4½% convertible debentures of 1980. The debentures are convertible through March 29 into common stock at the rate of two shares for each $100 face amount of debentures. With the bonds selling at more than a 180-point premium over call price, holders should sell or convert before the final conversion date. Following a 2-for-1 split of the common stock (to be voted on at the April 25 annual meeting) directors intend to establish a 30¢ quarterly dividend rate, equivalent to 60¢ on the present shares. Boeing's backlog December 31 was $3.1 billion compared with $1.8 billion a year earlier. Sales for this leading producer of commercial jet transport planes rose last year by $41 million to a record $2.02 billion, and income jumped to $9.56 a share from $5.64 in '64. Sales and earnings for 1966 are expected to show further gains on deliveries of the 707, 720, and 727 series of jet liners.

BOND STORES B

At 29, vs. '65-'66 low of 20¼, stock reflects company's tender offer. Yield is 3.4% based on $1 dividend.

• Company is offering $30 a share for 500,000 of its own 1.7 million outstanding shares. The offer expires March 2nd and the shares, according to a previous announcement by management, will be added to its treasury stock. Bond is an integrated maker and retailer of apparel and has been rapidly building new stores in recent years; 10 are planned for the current fiscal year ending July 31, up from seven in fiscal '65.

BUCYRUS-ERIE C+

Now at 69, stock's low price-earnings ratio is explained by wide cyclical swings in company's results. Paid $3 in '65.

• Directors plan to split the common shares 2-for-1 and create a new $100 par preferred stock to be used for possible acquisitions. The April 4 dividend payment has been lifted to 70¢ a share from the 60¢ paid previously. Per share earnings last year rose 66% to $6.77 from $4.07 for '64 on a 22% gain in sales to $126.6 million. Company is a leading maker of general excavating machinery, including huge power shovels especially designed for strip mining.

CONSOLIDATED LAUNDRIES C+

Stock is basically a speculation on outcome of expansion plans. Pays $1.80 annually; recent price 33.

• Directors of this major eastern linen supply service organization are negotiating a merger with Dunhill International which would result in the formation of a new company. Dunhill stockholders would receive at their option either $21 a share cash or a package of common and convertible and unconvertible securities in amounts yet to be determined, for a deal valued at $77 million. Besides its line of smokers' supplies, Dunhill owns extensive New York real estate, a 65% interest in A. G. Spalding and a 52% interest in American Bank Note.

COX BROADCASTING C+

Stock (37) is a speculation with long term growth potential. (Pays 40¢ annually.)

• Company operates five television stations and four AM and four FM radio stations. It is also one of the largest operators of community antenna television (CATV) systems. Revenues for the first two months of '66 were ahead of year-earlier results, and management expects further revenue and earnings gains this year, although at a somewhat slower rate than in '65 when company earned $1.77 a share on revenues of $29.8 million. This compares with $1.36 and $21.4 million in '64. No insurmountable problems are seen in recent moves to extend Federal Communication Commission jurisdiction to CATV.

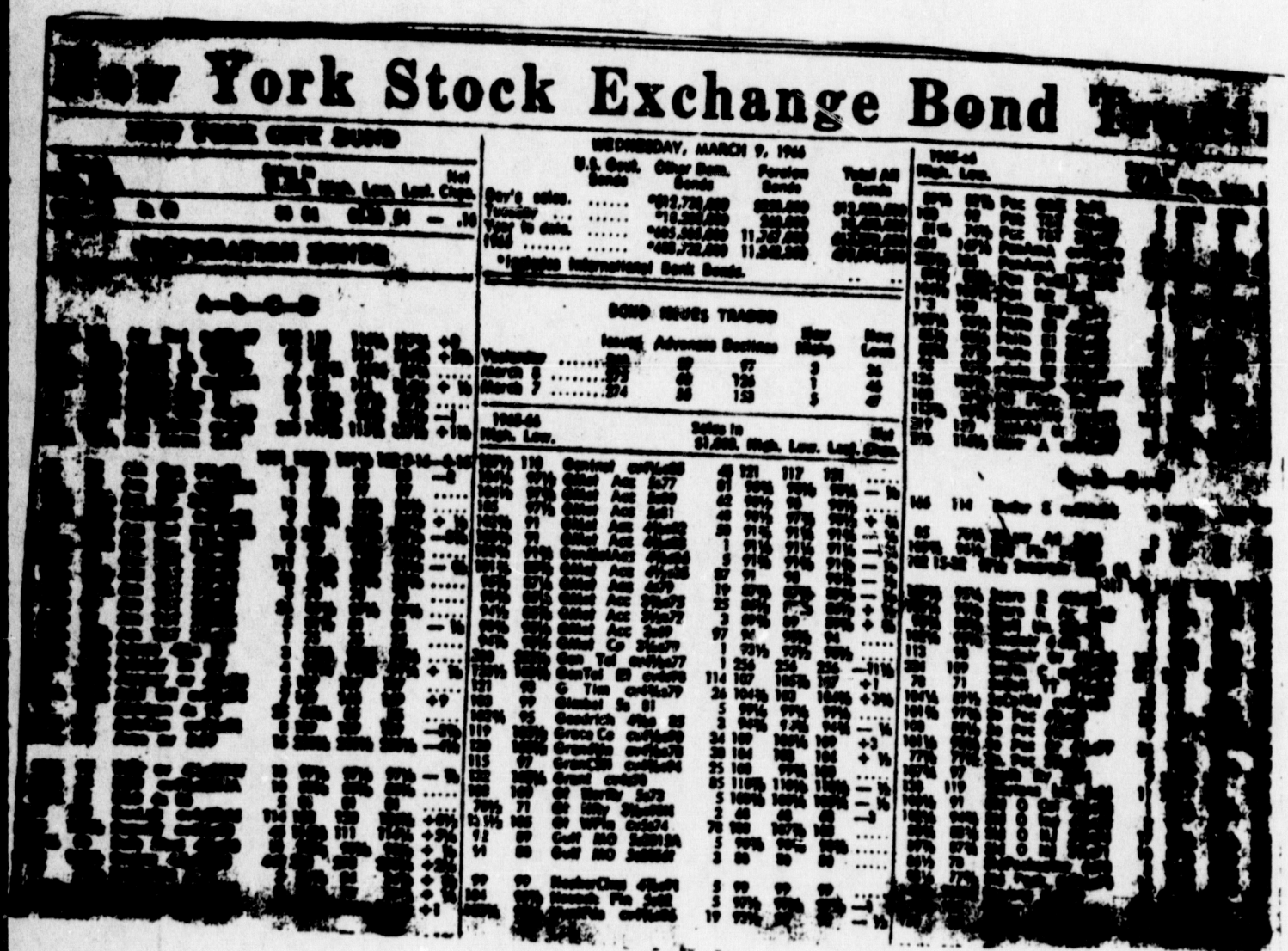
CROWN ZELLERBACH B+

Stock is an improving businessman's investment issue. Yield is 3.8% based on $2 div. and recent price of 52.

• This leading paper maker is in the midst of an expansion program which will permit sales of $850 to $900 million and a 40% to 50% increase in earnings within the next three to four years, according to management. Record sales of $709 million and earnings of $3.03 a share were reported for '65, up from $662 million and $2.98 in the previous year. Currently company is benefiting from higher prices for most of its products and no significant industry over-capacity is expected for the next few years.

EXHIBIT 1.9

EXHIBIT 3.1 - BOND TABLES PUBLISHED IN THE NEW YORK TIMES MARCH 10, 1966 PAGE 48



New York Stock Exchange Bond T

THE NEW YORK TIMES, MARCH 10, 1966 p. 48

EXHIBIT 3.1

EXHIBIT 3.2 - BOND TABLE PUBLISHED IN THE WALL STREET JOURNAL (EASTERN EDITION) MARCH 10, 1966, PAGE 29

New York Stock Exchange Bonds

Wednesday, March 9, 1966

Corporation Bonds

Volume, $12,730,000

A-B-C

1965-66 High	1965-66 Low	Bonds	Sales in $1,000	High	Low	Close	Net Chg.
108		Air Red cv3½s87	112	118	115¼	117⅝	+3
200¼		Allegh L cv6s01	62	106	104	104½	+2⅞
85⅝		Allied Ch 3½s78	7	85⅝	85⅝	85⅝	
131¼		Allied Str cv6½s88	29	115	114	114½	+⅛
87½		Alone 3½s 83	10	87½	87½	87½	
		Alum Can 4¼s80	4	93½	93½	93½	-1
		Am Bdlia cv6s90	260	117½	115¾	117½	+1½
96¾		Am Bdlia 3s98					
			1801	102½	101⅝	102 5-16	-3 16
85		Am Can 3½s88	10	83	83	83	-2
97		Am Dist cv4½s88	1	97	97	97	
76½		Am FP 3s2020	13	80¼	80¼	80¼	
89¾		AmMotF cv4¼s92	7	89¾	88½	88¾	+⅛
1374		Am Opt cv4.40s80	10	200	197¼	197½	-3½
98½		Am Sug 5.30s93	8	99	98½	98½	
98		Am TBT 4¾s85	111	98¾	98½	98¾	-⅛
88¼		Am TBT 3¾s72	28	89¼	88¾	88¾	
77¾		Am TBT 3½s86	5	78	78	78	
89		Am TBT 2¾s71	26	89¾	89¼	89⅝	
81		Am TBT 2¾s73	5	81½	81	81	-⅛
74½		Am TBT 2¾s89	1	75	75	75	
92½		Armco 4½s 88	3	93½	93½	93½	
89¾		Armour 5s 84f	4	91¾	91¼	91¼	+¼
91½		Armstr cv 4½s88	5	107	107	107	
		Atch TSF cv3½s95	7	169	166	169	+3
		Atlantic 4s 95	25	85½	85	85	
		Avco Cp cv5½s81	8	109	109	108	-2½
278		Avco cv 3s79	15	230½	229½	230½	-4½
33		B&W cv 4½s2010	10	97½	97½	97½	-½
79		B&O cv4½s2010A	10	89¾	89¾	89¾	
91		B&O 4s 80	5	81	81	81	
1388		Bendix cv4s82rld	114	128	120	126½	+8½
2044		Bendix cv4½s88	45	114½	111	114½	+5½
98		Beth Steel 4½s98	11	90½	90¼	90¼	+⅜
2001		Boeing 4½s82rld	440	293	290	290½	-2⅛
		Boeing cv4½s82rld	50	291	291	291	
99¾		Bohemian 6s87	3	84½	84	84½	+⅝
79		Borg-W cv4½s81	5	78½	78	78½	+½
		Boston Wat 6s2016	16	104½	103⅝	104½	+1
127		Can Inc 4s1992	19	80	79	80	+1⅝
97½		Celanese cv4s92	128	97½	97	97½	+½
		Celotex Pw 3s76	4	81½	81¼	81½	-½
		Cen Pac 4s2009	4	98½	98½	98½	
		Ches&ORNJ 3¼s87	4	44½	44	44	-½
2088		CNG Pas cv5½s79	98	150	142	144½	-4½
128		CRI cv3.40s71ww	5	128	128	128	-2
108		Chadbn cv4½s84	90	105	104	104½	-½
98		Chesa O 4½s92	6	94	94	94	
		C & O 3½s96fd	2	75	75	75	-1½
		C & O 3½s96	1	75	75	75	-1½
90		Chi R&I 5s2970	19	90	90	90	
81¼		Chrysler 4s 2019	24	78½	77½	77½	-½
84		Cities 4¼s 2010	2	84	84	84	
99¾		Cities cv4¼s 2044	43	98¾	98½	99¼	-½
79		Clev 4s 94	2	79	79	79	-1

1965-66 High	1965-66 Low	Bonds	Sales in $1,000	High	Low	Close	Net Chg.
95	88	CleveEl cv4½s83	9	88½	88	88	
101¼	91	CIT Fin 4¼s71	1	91	91	91	
96¼	91⅝	CIT Fin 3¾s70	5	91⅝	91⅝	91⅝	
94	82½	CCC SL 4½s77	6	82½	82½	82½	
90	84½	CCCSL 4s89 bl.	5	88½	85½	85½	
94	91½	Clev Elec 3s70	1	93½	93½	93½	
141	115¾	Cluett P cv4½s86	7	139	139	139	
137½	85⅝	Collins R cv4½s80	158	128⅝	128	128	
300½	100⅝	Collins R cv4½s83	164	280	268	268	
108⅛	90½	ColoFuel cv4½s77	3	99⅝	99⅝	99⅝	
102⅛	85½	Col Gas 4½s81	1	95	95	95	
94	91	Col SAlE 3¼s70	3	91	91	91	
240⅛	113	Comb Eng cv3¾s81	18	210	210	210	
109½	98	Con Edis 3s87	21	99⅛	98⅞	98⅞	
106⅛	99⅜	Con Edis 3s90	3	101⅛	99⅜	99⅜	
100	89¼	Con Edis 4¼s92W	2	91	89½	89½	
99¼	87	Con Edis 4¼s86	1	87	87	87	
94½	86	Con Edis 4s88	5	86¼	86¼	86¼	
88½	80	Con Edis 3¼s89	7	88¼	80½	80½	
132½	100⅛	CElectro cv4½s84	32	121½	120⅛	120⅛	
88⅛	81	Conso Pw 2¾s75	1	81½	81½	81½	
114	102	Cont Bk cv4½s83	5	107½	104½	104½	
101½	95	Cont Oil 4½s91	3	95	95	95	
132⅛	110⅝	Copw Rll cv5s78	4	111½	111½	111½	
118½	80	Crescent cv5½s88	28	108½	104	104	
140	101	CrownColl cv4½s84	41	126	123½	123½	
102¼	92½	Cruc Stl 3¼s66	262	102½	100⅝	100⅝	
85	59½	Curt Pub 6s86	35	79½	77½	77½	

D-E-F

100	89	Deere 4¼s 88	12	89½	89½	89½	
61	51½	Del LW 4s ex2042	4	59½	59½	59½	
91	84½	Det Ed 3¼s76	3	86½	86½	86½	
95¾	89¼	Det Ed 3s79	8	89½	89½	89½	
150½	81¼	Doug Aire cv4s77	200	148½	147¾	147¾	
186⅛	148	Dow Ch cv2s82	1	150	150	150	
141	97½	Dresser cv4½s77	72	128½	128	128	
112	100	Duke P SU cv5s73	7	109½	109	109	
45½	34	Erie 5s 2020f	4	35½	35½	35½	
49⅜	24½	Erie cv 4½s2015f	27	40	39	39	
100	89	Fmcl Pair cv4½s	8	98	98	98	
133½	114½	Fairchild cv5¼s80	3	149½	132	132	
97	94	Fore Dair 4½s80	2	96	96	96	

G-H-I

118⅛	101	GAmCo cv4¼s84	38	108	101	101	
105½	98½	Gen Cig 3½s87	4	98½	98½	98½	
94	88	Gen Elec 3½s76	10	88½	88½	88½	
197⅛	118	Gen Inst cv4½s85	45	121	118	118	
104	97	GMot Acc 6s72	81	98½	98½	98½	
104	97	GMot Acc 5s80	62	98	98	98	
105	97	GMot Acc 5s81	68	98½	97½	97½	
104⅛	91	GMot Acc 5s82	50	91½	91½	91½	
103⅛	91	GMot Acc 4¾s88	1	91½	91½	91½	
102⅛	91½	GMot Acc 4¾s85	8	91½	91½	91½	
101⅛	88⅛	GMot Acc 4¼s85	87	91	91	91	
97⅛	82½	GMot Acc 4¼s79	13	91	91	91	
93⅛	85½	GMot Acc 4¼s86	25	91	91	91	
94⅛	88½	GMot Acc 3¾s72	7	91½	91½	91½	
90⅛	83½	GMot Acc 3¾s81	67	91	91	91	
94⅛	91¼	GMot Acc 3¾s79	1	91½	91½	91½	
90	77½	GMot Acc 3½s72	13	91	91	91	
144⅛	108	Gen Tel cv4½s77	27	122	122	122	
120							

THE WALL STREET JOURNAL, (EASTERN EDITION)
MARCH 10, 1966, p. 29

EXHIBIT 3.2

EXHIBIT 6.1 - LETTER FROM HOLMAN, MARION, PERKINS, COIE & STONE TO THE BOEING COMPANY DATED APRIL 25, 1966

HOLMAN, MARION, PERKINS, COIE & STONE
1900 WASHINGTON BUILDING
SEATTLE 98101

AREA CODE 206 MUTUAL 2-8770

LUCIEN F. MARION
DEFOREST PERKINS
J. PAUL COIE
CHARLES I. STONE
HAROLD F. OLSEN
FRANCIS E. HOLMAN
ANDREW M. WILLIAMS
WILLIAM M. HOLMAN
DUPHOUGHS D. ANDERSON
F. THEODORE THOMSEN
JOHN W. ELLIS
ROBERT S. MUCKLESTONE
LUCIUS M. DIGLOW, JR.
DAVID E. WAGONER
RICHARD E. WILLIAMS
H. WESTON FOSS
RICHARD C. WALKER

COUNSEL
FRANK E. HOLMAN
HOLLISTER T. SPRAGUE
WENDELL W. BLACK

FRED S. MERRITT
J. SHAN MULLIN
JAMES M. HILTON
DOUGLAS P. BEIGHLE
CALHOUN DICKINSON
J. DAVID ANDREWS
RICHARD R. ALBRECHT
PHILLIP E. GLADFELTER
GRAHAM H. FERNALD
THEODORE J. COLLINS
KEITH GERRARD
JOHN H. BINNS, JR.
WALTER W. EYER
WAYNE C. BOOTH, JR.
L. WILLIAM HOUGER

April 25, 1966

The Boeing Company
7755 East Marginal Way South
Seattle, Washington

Gentlemen:

We have acted as general counsel to The Boeing Company (hereinafter called the "Company") in connection with the proceedings relating to the redemption of all of the Company's issued and outstanding 4-1/2% Convertible Subordinated Debentures due July 1, 1980 (hereinafter called the "Debentures") pursuant to an Indenture dated July 1, 1958 (hereinafter called the "Indenture") between the Company and The Chase Manhattan Bank, Trustee, and we have supervised corporate proceedings in connection with such redemption.

We have examined originals or copies, the authenticity of which has been established to our satisfaction, of such documents, corporate records and other instruments relating to the redemption of the Debentures as we have deemed necessary as a basis for this opinion.

Based on the foregoing, but as to factual matters information as to which is in the possession of the Company, based on information supplied by representatives of the Company, it is our opinion that:

1. The publication of notices of redemption of the Debentures due July 1, 1980, first published March 8, 1966, constituted a legal and valid call of the Debentures for redemption in accordance with the provisions of the Indenture and that holders of Debentures who have not, on or prior to

the close of business on the 10th day prior to the date fixed for such redemption (i.e. March 29, 1966) elected to convert their Debentures into capital stock of the Company in accordance with the provisions of the Indenture, are not entitled to have such Debentures so converted;

2. With respect to the mechanics by which a holder complies with the provisions of Section 402, Manner of Exercise of Conversion Privilege, of the Indenture, which require that the holder surrender the Debenture and give written notice to the Company of an election to convert, we believe it would be a reasonable interpretation and application of these provisions and consistent with what appears to be well-established corporate practice for the Company to authorize the Trustee to accept for conversion Debentures received by mail postmarked not later than Midnight, March 29, 1966, and Debentures mailed reasonably promptly thereafter, provided that in the latter case written or telegraphic notice of election to convert is received by the Company or the Trustee or is postmarked prior to Midnight, March 29, 1966; and

3. The officers of the Company are not authorized under the resolutions originally adopted by the Directors relating to the Debentures and the provisions of the Indenture to extend the time for conversion or redemption of the Debentures from that specified in the notices published and the Directors do not have the power under the Certificate of Incorporation, the By Laws and Delaware Law to provide for any such extension.

Very truly yours,

Holman, Marion, Perkins, Cole & Stone

EXHIBIT 6.1

EXHIBIT 6.2 - LETTER FROM DAVIS POLK WARDWELL SUNDERLAND & KIENDL TO THE BOEING COMPANY DATED APRIL 27, 1966

DAVIS POLK WARDWELL SUNDERLAND & KIENDL
1 CHASE MANHATTAN PLAZA
NEW YORK 5, N. Y.

CABLE ADDRESS:
STETSON

April 27, 1966

The Boeing Company
7755 East Marginal Way
Seattle, Washington

Dear Sirs:

You have requested our opinion regarding the recent call for redemption of all the Company's issued and outstanding 4 1/2% Convertible Subordinated Debentures, due July 1, 1980 (the "Debentures"). We have been furnished with copies of each of the following:

(a) The Certificate of Incorporation and By-laws of the Company as in effect on February 28, 1966 and as all times thereafter to date.

(b) The Indenture dated July 1, 1958 between the Company and The Chase Manhattan Bank, Trustee, pursuant to which the Debentures were issued.

(c) Specimens of the Debentures.

(d) The resolution adopted by the Company's Board of Directors on February 28, 1966.

(e) The letter dated March 8, 1966 from the Treasurer of the Company to the Trustee which, among other things, established April 8, 1966 as the redemption date.

COPY

(f) The letters dated March 22, and March 28, 1966 from the Treasurer of the Company to the Trustee relating to the protection of conversion rights of holders of Debentures.

(g) The notice of redemption dated March 8, 1966, and affidavits from the Wall Street Journal relating to the publication of such notice in all editions on March 8, March 18 and March 28, 1966 and an affidavit from The New York Times relating to the publication of such notice on March 23, 1966.

(h) An Officer's Certificate relating to the absence of defaults in respect of Senior Indebtedness of the Company.

(i) An opinion of Holman, Marion, Perkins, Cole & Stone regarding the absence of restrictions relating to the redemption.

The Trustee has advised that, in accordance with the instructions of the Treasurer referred to above, the conversion rights of the holders of $115,400 principal amount of Debentures were protected even though such Debentures were not surrendered until after the close of business on March 29, 1966. The holders of $1,547,000 of the Debentures took no action either to convert or to protect their conversion rights even though on the basis of the closing sale price for the Capital Stock of the Company on March 29, 1966 the shares of such stock issuable in respect of each $100 of such Debentures had a value of $216.25 compared to a redemption price of $103.50. The market value for such shares has continued at substantially the same level. Funds necessary to effect the redemption of such Debentures were duly deposited with the Trustee in accordance with the provisions of the Indenture.

On the basis of the foregoing we confirm to you the following opinions which were heretofore orally expressed:

1. The Company has duly taken all necessary corporate proceedings to authorize the call of the Debentures for redemption on April 8, 1966.

2. The Debentures were duly and validly called for redemption on April 8, 1966 in accordance with the

authorization of the Company's Board of Directors and the provisions of the Indenture and the Debentures.

3. Holders of Debentures who did not, on or prior to March 29, 1966, give to the Trustee notice of their election to convert their Debentures into Capital Stock of the Company were not entitled to convert such Debentures after that date.

4. The officers of the Company had no authority under the resolution adopted by the Board of Directors on February 28, 1966 with respect to the redemption of the Debentures or under the provisions of the Indenture or by virtue of their offices to waive the provisions of the Indenture and the Debentures with respect to the time within which an election to convert Debentures had to be made, or otherwise to extend such time, or to change the date for redemption of the Debentures from that specified in the notice of redemption. The Board of Directors of the Company could not have authorized such waiver or extension of time to convert or change in the redemption date without serious risk of liability being imposed on them in the event a stockholder of the Company charged them with waste of corporate assets to the extent of the excess of the value of the shares reserved for unconverted Debentures over the redemption price of such Debentures.

5. The Company could legally and validly instruct the Trustee to accept elections to convert Debentures evidenced in accordance with the first paragraph of the letter of the Treasurer dated March 28, 1966 referred to above and shares issued upon conversions of Debentures covered by such elections were validly issued and were not subject to the preemptive rights of the holders of the Company's Capital Stock.

Very truly yours,

Davis Polk Wardwell Sunderland & Kiendl

WDWJr:mhm

EXHIBIT 6.2

EXHIBIT 6.3 - LETTER FROM DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD TO THE CHASE MANHATTAN BANK DATED JUNE 10, 1966

THOMAS E. DEWEY
CLOYD LAPORTE
WILLIAM P. PALMER
WILRIC BUSHBY
ETHAN D ALYEA
ROY N. D. RICHARDSON
JOHN E. F. WOOD
STUART N. SCOTT
JOHN L. GRAY, JR.
CHARLES C. MACLEAN, JR.
EVERETT L. WILLIS
PHILIP C. SCOTT
R. BURDELL BIXBY
JAMES E. NICKERSON
WILLIAM WEMPLE
FRANK W. CRABILL
FRANCIS A. GOODHUE, JR.
HORACE P. B. ROBINSON
BENT V. LUKINGOREAL
LEONARD JOSEPH
CHARLES E. STEWART, JR.
DAVID E. WATTS
EDWARD H. SHERRY
C. GORHAM PHILLIPS
CARL E. HEILMAN
PHILIP J. DUNLAY
KENNETH R. LAVOY, JR.
JOHN H. PERKINS, JR.
E. DEANE TURNER
L. ROBERT FULLEM
ROBERT A. REILY
ARTHUR WINDELS, JR.
ROBERT H. HAGGERTY
JUDSON A. PARSONS, JR.
PAUL L. NASH

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD
40 WALL STREET
NEW YORK 10005
Digby 4-8000

ARTHUR A. BALLANTINE
1919-1960

8, PLACE DE CALDERTINE
BRUSSELS 1
TEL. H. 65. 85

15, RUE CHATEAUBRIAND
PARIS 8
TEL. 256. 10. 62

CABLE: DEWBALAW

June 10, 1966

The Chase Manhattan Bank, N.A.,
1 Chase Manhattan Plaza,
New York, New York 10015.

Re: The Boeing Company (formerly Boeing Airplane Company) Indenture dated July 1, 1958

Dear Sirs:

We have examined the above-captioned Indenture (the "Indenture") between The Boeing Company (the "Company") and you, as Trustee, the Notice of Redemption dated March 8, 1966 (the "Notice") used in connection with the call for redemption on April 8, 1966, pursuant to Article Five of the Indenture, of all the 4-1/2% Convertible Subordinated Debentures, due July 1, 1980, outstanding under the Indenture, an affidavit of your Bank relating to the mailing of the Notice on March 8, 1966, and affidavits from the Wall Street Journal relating to the publication therein of the Notice on March 8, March 18 and March 23, 1966 and an affidavit from The New York Times relating to the publication therein of the Notice on March 23, 1966. We have also examined the laws of the State of New York to the extent necessary, in our opinion, to enable us to render the opinion below.

In our opinion, the form of the Notice and the manner of publication and mailing thereof comply in all respects with the applicable provisions of the Indenture. (However, we have not verified whether the list of names attached to the above-mentioned mailing affidavit includes all the registered holders of the Debentures outstanding under the Indenture.) It is also our opinion that the provisions of the Indenture, and particularly Article Five

thereof, relating to the form, contents, and manner of mailing and publication of notices of redemption of Debentures outstanding under the Indenture are in no respect in violation of or in conflict or inconsistent with the laws of the State of New York.

Very truly yours,

Dewey, Ballantine, Bushby, Palmer & Wood

EXHIBIT 6.4 - LETTER FROM THE CHASE MANHATTAN BANK TO EDMUND L. JONES, HOGAN & HARTSON, DATED JUNE 14, 1966

THE CHASE MANHATTAN BANK
National Association

1 Chase Manhattan Plaza, New York, New York 10015

IN REPLYING PLEASE REFER TO
4-682-JJD

June 14, 1966

Edmund L. Jones, Esq.
Hogan and Hartson
815 Connecticut Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Jones:

The Boeing Company
4 1/2% Convertible Subordinated
Debentures due July 1, 1980

In response to your telephone request, we are pleased to enclose a copy of an opinion of our counsel, Dewey, Ballantine, Bushby, Palmer & Wood, addressed to us with regard to the redemption notice for the above Debentures being in accordance with the provisions of the Company's Indenture dated as of July 1, 1958, and the Indenture complying with the laws of the State of New York. We wish to state that we reviewed the redemption notice, which was prepared by our counsel, and approved the same before releasing it, upon authorization of the Company, for publication on March 8, 18 and 28, 1966.

As requested, we are also pleased to set forth herein certain information with regard to security issues for which we act as trustee. Since the Boeing issue was convertible and was offered publicly in both coupon and registered form, we have limited this information to the 30 issues which fall within these categories, which have an aggregate authorized principal amount of approximately $520,000,000.

All 30 issues require publication of the notice of redemption in a newspaper of general circulation in the Borough of Manhattan, City of New York; one issue requires publication in an additional such paper; and two issues require publication also in a newspaper of general circulation in the City of Chicago.

Fifteen issues require such publication to be made twice; eleven issues require publication four times; and the remaining four issues require publication either one or three times. All issues require that the first publication be made no less than 30 days prior to the redemption date. Of these, 20 also require that the first publication be made no more than 60 days prior to the redemption date; five more than either 45 or 90 days; and the remaining five set no outside limitation for publication of the initial notice.

EXHIBIT 6.4

Exhibit 6.4 - Letter from The Chase Manhattan Bank to Edmund L. Jones, Hogan & Hartson, Dated June 14, 1966

THE CHASE MANHATTAN BANK

To Edmund L. Jones, Esq.
Hogan and Hartson
815 Connecticut Avenue, N.W.
Washington, D.C. 20006

All issues require that notice of redemption also be mailed to each holder of a coupon debenture registered as to principal and each holder of a fully registered debenture which has been called for redemption in whole or in part.

Yours very truly,

John L. Howard
Corporate Trust Officer

bc

EXHIBIT 6.4

PLAINTIFFS' ADMISSIONS (Filed March 3, 1972)

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

- -X

WILLIAM A. VAN GEMERT, et al., :

Plaintiffs, :

-against- :

THE BOEING COMPANY, et al., :

Defendants. :

- -X

66 Civ. 1820

PLAINTIFFS' ADMISSIONS PURSUANT TO RULE 36 F.R. CIV. PROC.

Plaintiffs, by their attorneys, in compliance with the Request of the Defendants dated February 18, 1972 for Admissions pursuant to Rule 36 of the Federal Rules of Civil Procedure (the "Request") state:

1. Request No. 1 - Admit the genuineness of the documents exhibited with said Request but deny that the debentures were called and deny that the conversion privilege expired or was terminated.

2. Request No. 2 - Admit.

3. Request No. 3 - Admit that Exhibits 3.1 and 3.2 respectively are the bond tables as published in the New York Times on March 10, 1966 and the Eastern Edition of the Wall Street Journal on March 10, 1966 but deny that the debentures were called.

Plaintiffs' Admissions

4. Request No. 4 - Admit except deny that the debentures were called.

5. Request No. 5 - Admit.

6. Request No. 6 - Admit that the documents exhibited with said Request were prepared and delivered by the signatories to said documents but deny accuracy of the opinions contained in Exhibits 6.1, 6.2 and 6.3 and deny that, as to Request 6.2, the firm believed that issuing Boeing shares in return for Boeing debt could seriously be claimed to be waste of corporate assets as set forth in paragraph 4. Deny that the statements as to requirements of publication contained in Exhibit 6.4 are true.

7. Request No. 7 - Deny.

Dated: New York, New York
March 3, 1972

KASS, GOODKIND, WECHSLER & GERSTEIN

By _____
A Member Thereof
A Member of Plaintiffs' Attorneys Committee
122 East 42nd Street
New York, New York 10017

NATHAN, MANNHEIMER, ASCHE, WINER & FRIEDMAN

By _____
A Member Thereof
A Member of Plaintiffs' Attorneys Committee
295 Madison Avenue
New York, New York 10017

Plaintiffs' Admissions

IRVING STEINMAN, ESQ.
A Member of Plaintiffs'
Attorneys Committee
11 Park Place
New York, New York 10007

TO: DAVIS POLK & WARDWELL
Attorneys for Defendants
The Boeing Company and
Thomas R. Wilcox
1 Chase Manhattan Plaza
New York, New York 10005

AGREED STATEMENT AS TO CERTAIN FACTS AND WHAT CERTAIN WITNESSES WOULD TESTIFY TO IF CALLED AT TRIAL
(Filed August 6, 1971)

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

WILLIAM R. VAN GEMERT, et al.,	:	66 Civ. 1820
Plaintiffs,	:	AGREED STATEMENT AS TO CERTAIN FACTS AND WHAT CERTAIN WITNESSES WOULD TESTIFY TO IF CALLED AT TRIAL
-against-	:	
THE BOEING COMPANY, et al.,	:	
Defendants.	:	

IT IS HEREBY STIPULATED AND AGREED by the parties hereto that the following statement of certain facts and what certain witnesses would testify to if called at trial and the exhibits referred to and marked therein shall be regarded for the purposes of this litigation only as authentic and genuine subject to the following terms and conditions:

1) All rights of any party to object to the relevancy and materiality of the facts and testimony and the exhibits are reserved for trial;

2) The right of any party to add to or to attempt to contradict by testimony, including cross-examination, document or argument any of the statements of what a witness would testify to; and

3) The right of plaintiffs' counsel to demand, within sixty days of the signing hereof, an examina-

tion with or without the aid of experts of all documents and records, the authenticity and genuineness of which are hereby stipulated.

Exhibits to Agreed Statement of Facts

1. Specimen $1,000 Bearer Debenture and Specimen Registered Debenture.

2. Minutes of Special Meeting of the Board of Directors of Boeing held on June 23, 1958.

3. Letter of Instructions dated June 26, 1958 from Boeing to City Bank Farmers Trust Company, its Subscription Agent.

4. Indenture dated July 1, 1958, between Boeing and The Chase Manhattan Bank.

5. Letter dated June 25, 1958 from William M. Allen, President of Boeing, to holders of Boeing Capital Stock.

6. Registration Statement of Boeing on Form S-1 containing Preliminary Prospectus dated June 25, 1958.

7. Listing Application A-17645 of Boeing dated June 26, 1958.

8. Listing Agreement A-17292 of Boeing dated November 5, 1957.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

9. Amendment No. 1 to Form S-1 of Boeing containing Preliminary Prospectus dated June 30, 1958.

10. Amendment No. 2 to Form S-1 of Boeing containing Preliminary Prospectus dated July 10, 1958.

11. Minutes of Special Meeting of Board of Directors of Boeing held on July 14, 1958.

12. Underwriting Agreement dated July 15, 1958 between Boeing and Harriman Ripley & Co., Incorporated and Blyth & Co., Inc.

13. Amendment No. 3 to Form S-1 of Boeing containing final Prospectus dated July 15, 1958.

14. Specimen Warrants.

15. Letter dated July 15, 1958 from William M. Allen, President of Boeing, to all holders of record of Boeing Capital Stock at the close of business on July 15, 1958 other than holders with A.P.O. or F.P.O. registered addresses or with registered addresses outside of the Continental United States and Canada.

Final Prospectus dated July 15, 1958 containing Supplement dated July 30, 1958.

16. Letter dated July 15, 1958 from William M. Allen, President of Boeing to all holders of record of Boeing Capital Stock at the close of business on July 15, 1958 with A.P.O. or F.P.O. registered addresses or with registered addresses outside the Continental United States and Canada.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

17. Letter dated July 15, 1958 from City Bank Farmers Trust Company to holders of unexchanged stock of United Aircraft & Transport Corporation.

18. Sample letter from Chase to Boeing dated March 10, 1960.

19. Boeing conversion rate computation sheet dated December 31, 1958.

20. Memorandum dated March 25, 1959 from O.E. Melby to Messrs. Yeasting and Nelsen.

21. Memorandum dated December 17, 1959 from O. E. Melby to Messrs. Yeasting, Nelsen and Haynes together with a computation sheet.

22. Memorandum of the Proceedings of the Board of Directors of Boeing held on November 13, 1959 and Memorandum from Mr. Prince to the Board of Directors of Boeing dated November 11, 1959.

23. Minutes of the Meeting of the Board of Directors of Boeing held on December 7, 1959.

24. Plan and Agreement of Reorganization Between Boeing Airplane Company and Vertol Aircraft Corporation dated January 18, 1960.

25. Extract from the Minutes of the Meeting of the Board of Directors of Boeing held on April 4, 1960.

26. Form 8K filed by Boeing for April, 1960.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

27. Typed transcription of conversion rate calculations prepared by Boeing on or about April 4, 1960 and on or before April 12, 1960.

28. Conversion rate calculations prepared by Boeing on or about April 12, 1960.

29. Opinion letter dated March 31, 1960 from Harriman Ripley & Co., Incorporated to Boeing.

30. Opinion letter dated April 4, 1960 from Touche, Ross, Bailey & Smart to Boeing.

31. Opinion letter dated April 4, 1960 from H. F. Olsen to H.W. Haynes of Boeing.

32. Memoranda dated June 2, 1960 from P.S. Ford to H.W. Haynes and June 16, 1960 from O.E. Melby to E.M. Nelsen and H.W. Haynes.

33. Memorandum dated June 28, 1961 prepared by H.W. Haynes.

34. Memorandum dated July 20, 1961 prepared by J.E. Prince.

35. Memorandum dated March 10, 1961 prepared by L.E. Fillon of Boeing entitled "Bond Indenture Restrictions".

36. Boeing Annual Report for 1960.

37. Boeing Proxy Statement dated February 28, 1966 with affidavit of mailing attached.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

38. Extract from the Minutes of the Meeting of the Boeing Board of Directors held on February 28, 1966.

39. TENTATIVE TIMETABLE dated 2-28-66.

40. Boeing News Release No. S-8726 issued February 28, 1966.

41. Teletype dated March 1, 1966 from H.V. Kohr of Boeing to the New York Stock Exchange.

Letter dated March 2, 1966 from H.V. Kohr of Boeing to the New York Stock Exchange.

42. Telegram dated March 3, 1966 from J.L. Howard of Chase to D. Thornton of Boeing.

43. Section A-10 of the NYSE Company Manual as in effect between February 1, 1966 and March 10, 1966.

44. Letter dated March 5, 1966 from Boeing's general counsel to the SEC.

Letter dated March 5, 1966 from Boeing's general counsel to the NYSE.

45. Letter dated March 8, 1966 from Boeing's general counsel to the SEC.

Letter dated March 8, 1966 from Boeing to the NYSE.

46. Redemption Notice published on March 8 and 18, 1966 in all editions of The Wall Street Journal and affidavit of publication.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

47. Letter of March 9, 1966 from A.L. Rauch of the New York Stock Exchange to H.V. Kohr of Boeing.

Letter dated March 16, 1966 from H.V. Kohr of Boeing to A.L. Rauch of the New York Stock Exchange.

Letter dated April 5, 1966 from J.L. Howard of Chase to A.L. Rauch of the New York Stock Exchange.

Certified Copy of Boeing's Redemption Account Statement with Chase.

48. Boeing News dated March 24, 1966.

Boeing Management Information dated March 16, 1966.

49. Boeing Annual Report for 1965.

50. March 25, 1966 Boeing News Release.

51. Redemption Notice published on March 28, 1966 in all editions of The Wall Street Journal with affidavit of publication.

Redemption Notice published in The New York Times on March 28, 1966 with affidavit of publication.

52. Letter dated April 11, 1966 from D. Thornton of Boeing to J.L. Howard of Chase.

Letter dated April 26, 1966 from D. Thornton of Boeing to J.L. Howard of Chase.

53. Form 8K filed by Boeing for March, 1966.

Form 8K filed by Boeing for the month of April, 1966.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

54. Two letters sent by Boeing and one letter sent by Boeing's general counsel which are representative of the letters sent by Boeing, Chase and Boeing's general counsel to debentureholders who inquired after the expiration of the conversion privilege as to the status of their debentures.

55. Boeing Annual Report for 1966
Boeing Proxy Statement
dated February 27, 1967.

1. Plaintiffs are or were on March 30, 1966 holders of bearer 4 1/2% Convertible Subordinated Debentures due July 1, 1980 (the "debentures") which were issued by Boeing Airplane Company (now The Boeing Company) ("Boeing") on or about July 1, 1958. A specimen debenture is annexed hereto as Exhibit 1.

2. The names and post office addresses and places of residence of all plaintiffs named in the complaint herein, together with the date on which they acquired their respective debentures, except as indicated, are set forth below:

Name	Post Office Address and Residence	Date on Which Debentures Acquired
William R. Van Gemert	641 West Roxbury Parkway, Mass. 02123	
Albert A. Henning	16 East 23rd Street New York, New York	11/17/58

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

Edward E. Houchins	6540 Glenmore Avenue Philadelphia, Pa.	7/1/58
Nathan Pearlman	2447D Shaker Blvd. Shaker Hts., Ohio	8/21/59
Elias A. Chariott	Not Known	
Charles K. Davis	87 Commodore Road Worcester, Mass.	
Andreal Holding Corp.	c/o Mr. Charles L. Tenebaum 349 East 149th Street Bronx, New York	8/25/59
Samuel A. Weiss	145 Michael Drive Syosset, L. I., N. Y.	7/1/58
Irwin L. Isert	107 Sherry Drive Yorktown Hts., N. Y.	Date of Issue
Jack Kirschner	69-30 Fresh Meadow Lane Flushing, N. Y. 11365	4/66
Charles Friedman	c/o David Goldstein Goldstein & Peck 955 Main Street Bridgeport, Conn. 06603	7/15/58
H. Michael Albers	1616 Walnut Avenue Philadelphia, Pa. 19103	1/14/63
Abraham Stern	148 Madison Avenue New York, New York	7/16/58
Edward Kampler	104-40 Queens Boulevard Apartment 12B Forest Hills, New York	7/1/58
Simeon A. Schloss, Jr.	P. O. Box 896 Charlotte, North Carolina	7/58
Mary Jane Schloss Silverman	Elkins Park House Apartment 502B Elkins Park, Pa.	7/1/58

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

Name	Post Office Address and Residence	Date on Which Debentures Acquired
Floretta Schloss Wile	P. O. Box 596 Charlotte, N. Carolina	
David M. Botsford	c/o Jack Robertson, Esq. Robertson Alesander & Luthig 1177 University Drive Menlo Park, Cal. 94027	2/17/61
Mrs. Samuel Lemler	1655 Flatbush Avenue Apartment B406 Brooklyn, New York	Rights offering
Louis Davis	68-09 Booth Street Forest Hills, N. Y.	
Mrs. Leonard C. Dill, Jr.	Maybrook Cottage Penn Road Wynnewood, Pa.	7/21/58
Joseph Schlagman	1170 Ocean Avenue Brooklyn, New York	7/15/58
Natalie K. Wigler	47 Avalon Road Garden City, New York	1955/56 and 6/62
Ann Louise Diamond	15 Meadow Lane Freeport, N. Y. 11520	Orig subscription
Samuel Chardavoyne	60 Gramercy Park New York, New York	
William M. Jones	1507 North Kedoale Chicago, Ill. 60651	
Mr. and Mrs. H. Dieneman	549 West Brompton Ave. Chicago, Illinois	

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

Name	Post Office Address and Residence	Date on Which Debentures Acquired
Milton Hart	10 Knoll Road Tenafly, New Jersey	7/28/58
Mary Levin	c/o Theodore Levin, Esq. 125 South Main Street Greensburg, Pa. 15601	9/2/59, 4/15/61, 1/2/64
Francis Davis	1280 West 72nd Street Kansas City, Mo.	9/6/60
E. Julian Davis	c/o H. Barrow Cagle, Esq. 821 Alfred I. Dupont Bldg. Miami, Fla. 33131	7/21/58
Robert Lemlich	Chemistry Building University of Cincinnati Cincinnati, Ohio 45221	Orig subscription
Arthur Frisch	Not Known	
Marian S. Mitchell	Not Known	
Vincente J. Bonnard	Not Known	
Dr. Jack Diener	4545 Connecticut Avenue, N.W. Washington, D. C.	2/25/66
Dennis J. Finn	526 West Di Lido Island Miami Beach, Florida 33139	7/27/64, 1/11/65
Bertha J. Winer, Deceased Norman Winer, Executor of the Estate of Bertha J. Winer	1185 Park Avenue New York, New York 10028	7/21/58
Joanne W. Finn	1185 Park Avenue New York, New York 10028	7/21/58

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

S. Edward Mitler	Greenhill ED 1132 1001 City Avenue Philadelphia, Pa. 19151	3/20/59
Louis Berglas	10 Fulton Street Brooklyn, New York	
Gertrude McNaught	1138 Franklin Avenue River Forest, Ill.	Orig subscription
Mrs. J. H. Stern	77 North Main Street Clintonville, Wisconsin	Orig subscription
Mrs. Joan S. Berman	755 Vernon Avenue Glencoe, Illinois	Inheritance orig sub-scription
Dr. J. David Stein	2604 Techwood Drive Columbus, Georgia	Inheritance orig sub-scription
Harold M. White	1657 Sherman Avenue Northbrook, Illinois	
Margaret C. White	1657 Sherman Avenue North brook, Illinois	
Morris Bernstein	159 St. Paul Street Brookline, Massachusetts	
Walter L. Eaton	228 Main Street Winchester, Massachusetts	
Ernest G. Angevine	95 Prince Street West Newton, Massachusetts	
Abraham Perchick	15 West 72nd Street New York, New York	
Committee for the Estate of Max Schneider	45 Sutton Place South New York, New York	
Francis H. Shoobe	31 Winchester Oval New Rochelle, New York	4/59
Albert A. Arditti	420 Park Avenue New York, New York	

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

Name	Post Office Address and Residence	Date on Which Debentures Acquired
Sarah E. Moritz	Not Known	Orig sub-scription
Virginia W. Staub	Not Known	Orig sub-scription and gift from husband 1958

3. Defendant Boeing is and at all relevant times was a corporation organized and existing under the laws of the State of Delaware.

4. Defendant Thomas R. Wilcox was until September 1967 a resident of the State of Connecticut and at all relevant times since September 1967 he has been a resident of the State of New York. At all relevant times since March 6, 1964 defendant Thomas R. Wilcox has been a Director of Boeing.

5. As of February 28, 1966, W. M. Allen, President of Boeing, owned 15,103 shares of Boeing Capital Stock, J. E. Prince, Secretary, owned 2,949 shares of Boeing Capital Stock, H. W. Haynes, Vice President Finance, owned 1,143 shares of Boeing Capital Stock; all three of them held Boeing stock options; none of them owned any of the debentures and no Director of Boeing owned any of the debentures.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

6. At the times stated below H. W. Haynes held the following positions with Boeing:

(a) May, 1957 - June, 1959, Assistant Controller;

(b) June, 1959 - September 30, 1960, Controller;

(c) September 30, 1960 - October 31, 1966, Vice-President Finance; and

(d) October 31, 1966 - present, Director and Vice-President Finance.

7. The Boeing securities beneficially owned by H. W. Haynes since 1958 are as follows:

Year	Capital Stock
1958	160
1959	160
1960	0
1961	18
1962	41
1963	64
1964	564
1965	768
1966	1143
1967	1250
1968	500
1969	500

8. The law firm of Perkins, Coie, Stone, Olsen & Williams (formerly Holman, Mickelwait, Marion, Black & Perkins) is and at all times relevant to this lawsuit was general counsel for Boeing.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

9. Harold F. Olsen is and at all times since 1954 has been a member of the law firm of Perkins, Coie, Stone, Olsen & Williams and its predecessor firms.

10. The Boeing securities owned beneficially or as custodian for his children by H. F. Olsen since 1958 are as follows:

Year	Capital Stock	5 1/2% Debentures
1958	0	0
1959	100	0
1960	100	0
1961	100	0
1962	0	0
1963	60	0
1964	60	0
1965	60	0
1966	135	900
1967	0	0
1968	0	0
1969	0	0

11. At a Special Meeting held in Seattle on June 23, 1958 the Board of Directors of Boeing authorized the creation of an issue of debentures to be known as the " % Convertible Subordinated Debentures due July 1, 1980", to be issued in an aggregate principal amount of $30,597,600. A copy of the minutes of the meeting is annexed hereto as Exhibit 2.

12. At the Special Meeting held in Seattle on June 23, 1958 the Board of Directors of Boeing approved

a Subscription Offer by Boeing to its stockholders of $30,597,600 principal amount of its 4 1/2% Convertible Subordinated Debentures due July 1, 1980.

13. At the Special Meeting held on June 23, 1958 the Boeing Board of Directors appointed City Bank Farmers Trust Company ("City Bank") Subscription Agent in connection with the Subscription Offer and approved a Letter of Instructions to the Subscription Agent. A copy of the Letter of Instructions is annexed hereto as Exhibit 3.

14. At the Special Meeting held on June 23, 1958 the Boeing Board of Directors appointed The Chase Manhattan Bank ("Chase") to act as Trustee under the indenture (the "Indenture") pursuant to which the debentures were to be issued. A copy of the Indenture is annexed hereto as Exhibit 4.

15. On June 25, 1958, Boeing mailed to all holders of its capital stock a letter from its President, William M. Allen, which informed them of Boeing's decision to sell the debentures and of the fact that each holder of record would receive in the near future a warrant representing rights to purchase debentures after clearance by the SEC. The letter cautioned them that they should

arrange for exercise or sale of rights in the event that they would not personally be able to attend to the matter. A copy of the letter is annexed hereto as Exhibit 5.

16. On June 25, 1958 Boeing filed a Registration Statement on Form S-1 bearing Registration No. 2-14218 with the SEC. Included in this Registration Statement was a Preliminary Prospectus dated June 25, 1958. A copy of the Registration Statement is annexed hereto as Exhibit 6.

17. On June 26, 1958 Boeing made application for listing the debentures on the New York Stock Exchange ("NYSE"). A copy of Listing Application A-17645 is annexed hereto as Exhibit 7.

18. Boeing entered into a Listing Agreement - No. A-17292 - with the NYSE on November 5, 1957, which was incorporated by reference into Listing Application A-17645, which Boeing submitted to the NYSE on June 25, 1958 in connection with the listing of the debentures on the Exchange. A copy of Listing Agreement No. A-17292 is annexed hereto as Exhibit 8.

19. On June 26, 1958 Holman, Mickelwait, Marion, Black & Perkins, counsel for Boeing, sent the NYSE a proof of the form of $1,000 coupon debenture and a proof of the Indenture.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

20. On June 30, 1958 Boeing filed Amendment No. 1 to Form S-1 with the SEC. Included in Amendment No. 1 was a Preliminary Prospectus dated June 30, 1958. A copy of Amendment No. 1 is annexed hereto as Exhibit 9.

21. On or about July 23, 1958 Boeing entered into an Indenture with The Chase Manhattan Bank dated as of July 1, 1958 pursuant to which Chase acted as Trustee for the debentures, which were issued in the aggregate principal amount of $30,597,600.

22. On July 7, 1958 the listing of the debentures and the Capital Stock issuable on conversion was approved by the NYSE upon official notice of issuance.

23. On July 10, 1958 Boeing filed Amendment No. 2 to Form S-1 with the SEC. Included in Amendment No. 2 was a Preliminary Prospectus dated July 10, 1958. A copy of Amendment No. 2 is annexed hereto as Exhibit 10.

24. At a Special Meeting held in Seattle on July 14, 1958 the Board of Directors of Boeing fixed the title of the debentures as the "4 1/2% Convertible Subordinated Debentures, due July 1, 1980". A copy of the minutes of the meeting is annexed hereto as Exhibit 11.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

25. By resolution dated July 14, 1958 the Board of Directors of Boeing set the initial conversion rate for the debentures at two shares of Capital Stock for each $100 principal amount of debentures, equivalent to a conversion price of $50 per share of Capital Stock.

26. Section 4.07 of the Indenture provides in part

> ". . . The Company shall at all times reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Debentures, such number of its duly authorized shares of Capital Stock as shall from time to time be sufficient to effect the conversion of all outstanding debentures.
>
> * * *
>
> Before taking any action which would cause an adjustment reducing the conversion price ($100 divided by the current conversion rate) below the then par value, if any, of the shares of Capital Stock issuable upon conversion of the Debentures, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue full paid and non-assessable shares of such Capital Stock at such adjusted conversion price."

27. By resolution dated July 14, 1958 the Boeing Board of Directors reserved 611,952 shares of Capital Stock for issuance upon and in consideration of the surrender for conversion of debentures at the initial conversion rate of two shares of Capital Stock for each $100 principal amount of debentures.

28. On July 15, 1958 Boeing entered into an Underwriting Agreement with Harriman Ripley & Co., Incorporated and Blyth & Co., Inc. and the other underwriters

referred to in the Underwriting Agreement with respect to the purchase from Boeing by the underwriters of such of the debentures as would not be subscribed and paid for pursuant to the Subscription Offer. A copy of the Underwriting Agreement is annexed hereto as Exhibit 12.

29. On July 15, 1958 Boeing filed Amendment No. 3 to Form S-1 with the SEC. Included in Amendment No. 3 was a final Prospectus dated July 15, 1958. A copy of Amendment No. 3 is annexed hereto as Exhibit 13.

30. On July 15, 1958 Boeing offered the holders of its Capital Stock of record at 3:30 P.M. on July 15, 1958 the right to subscribe to the debentures at a subscription price of 100% of the principal amount subscribed at the rate of $100 principal amount of debentures for each 23 shares of Capital Stock held on the record date.

31. Rights to subscribe to the debentures were evidenced by fully transferable warrants (the "warrants"). Annexed hereto as Exhibit 14 are a specimen blank warrant and a specimen warrant executed by an individual who subscribed to the offering, which bears the stamp of City Bank.

32. The form of the warrants was prepared jointly by Boeing, the underwriters and City Bank.

33. The warrants were issued by City Bank in a form previously supplied to it by Boeing. Each warrant

contained the name and address of the stockholder to whom it was issued; the number of rights issued to him; a form for exercise by the stockholder which required his signature and address; and a form for transfer of the warrant. Paragraph 4 of the "Directions as to Use" on the reverse side of the warrant provided

> "4. TO TRANSFER WARRANTS: Fill in and sign FORM 3. This Warrant is transferable upon execution of FORM 3 in the same manner and with the same effect as in the case of a negotiable instrument payable to a specified person. If this Warrant is assigned in blank, title shall pass by delivery. This Warrant, if properly assigned, may be used by a new holder for subscription without having a new Warrant issued, in which case the name and address of the new holder executing the subscription must be filled in on FORM 3. Where 2 or more Warrants are used in effecting a subscription the subscription form (FORM 1) on only 1 Warrant need be executed." (Emphasis in original)

34. One right to subscribe to the debentures was issued by Boeing for each full share of Capital Stock held on the record date.

35. Warrants were drawn in the names of holders of Boeing capital stock and in those cases where brokers or other nominees were stockholders of record, the warrants were split into lesser denominations if so requested by them.

36. Between 9:00 P.M. July 15, 1958 and 5:00 P.M. July 16, 1958 City Bank sent to all holders of record of Boeing Capital Stock at the close of business July 15,

1958, other than holders with A.P.O. or F.P.O. registered addresses or with registered addresses outside the Continental United States and Canada, a letter from W. M. Allen, President of Boeing, together with a Prospectus dated July 15, 1958, a warrant evidencing the holder's rights to subscribe to the debentures, and a return envelope. Copies of the letter and July 15, 1958 Prospectus are annexed hereto collectively as Exhibit 15.

37. Between 9:00 P.M. July 15, 1958 and 5:00 P.M. July 16, 1958 City Bank sent to all holders of record of Boeing Capital Stock at the close of business on July 15, 1958 with A.P.O. or F.P.O. registered addresses or with registered addresses outside the Continental United States and Canada a letter from W. M. Allen, President of Boeing, together with a Prospectus dated July 15, 1958. A copy of the letter is annexed hereto as Exhibit 16.

38. At approximately 9:00 P.M. on July 15, 1958 City Bank mailed to each holder of the unexchanged stock of United Aircraft & Transport Corporation of record at the close of business July 15, 1958 a letter dated July 15, 1958 from W. M. Allen, President of Boeing, a letter dated July 13, 1958 from William T. Hayes, Assistant Secretary of City Bank, and a copy of a Prospectus dated July 15, 1958. A copy of the Hayes letter is annexed hereto as Exhibit 17.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

39. Warrants were sent to all persons whose names and addresses appeared in the Boeing stock register as owners of Boeing Capital Stock and were sent to such persons at the addresses there appearing, the stock register being in the possession of City Bank, the Company's transfer agent. The envelopes in which the warrants were enclosed were addressed from Addressograph plates. The Addressograph plates of those who continued to be stockholders through March, 1966 were retained by City Bank throughout the intervening period. The Addressograph plates of those who ceased to be stockholders prior to March, 1966 were destroyed shortly after they ceased to be stockholders.

40. The Subscription Offer expired at 3:30 P.M. on July 29, 1958 and warrants not exercised by that time became void.

41. The total number of rights issued was 7,037,448. Between July 16, 1958 and July 29, 1958 the rights were traded on the NYSE, the opening price on July 16 being $26/64th and the closing price on July 29 $5/16ths. During this period of trading a total of 1,702,200 rights were traded and it is not known how many times individual rights were turned over. At least 5,335,248 rights were not traded on the Exchange.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

42. If called at trial, William M. Crane, Vice President of City Bank, would testify:

(a) An informational list was prepared by City Bank of the names and addresses of those shareholders to whom warrants initially were sent and this list was the Bank's only record of those persons to whom warrants were sent.

(b) This informational list was used by City Bank during the life of the subscription offer and for such time thereafter as was required to complete all known investigations. City Bank has no specific records retention period for an informational list of this type. Such a list is and was disposed of by City Bank when no longer required and would not have been in existence after July 31, 1959.

43. If called at trial, W.M. Crane of City Bank would testify that:

(a) As transfer and dividend disbursing agent for Boeing's Capital Stock, City Bank prepared lists of the names and addresses of stockholders of record for payment of dividends in May and August 1958.

(b) In accordance with City Bank's record retention policy the lists as well as the cancelled dividend checks were retained 6 years and then destroyed by 1964.

(c) At no time did Boeing receive copies of these lists or the cancelled checks.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

44. Those holders of warrants who exercised their right to purchase debentures tendered their warrants to City Bank as subscription agent for Boeing.

45. Employees of the Corporate Trust Division of City Bank received the warrants tendered in exercise of the right to purchase debentures. The warrants so tendered were retained and stored by City Bank and are now in the possession of its successor, First National City Bank ("City Bank"), as subscription agent for Boeing. The warrants have at all times been available for Boeing's examination and for delivery to Boeing on its request. Boeing has neither examined nor requested delivery of the warrants although its attorneys have examined a random sample of the warrants tendered. If called at trial, W. M. Crane of City Bank and H. W. Haynes of Boeing would testify that no record was made by City Bank or Boeing of the names and addresses of the persons who exercised warrants.

46. During the period of the Subscription Offer, from 5:30 P.M. July 15, 1958 to 3:30 P.M. July 29, 1958, subscriptions for a total of $29,578,500 principal amount of debentures and payment in full of the subscription price therefor were received by City Bank. The total amount of unsubscribed debentures which was purchased by the underwriters was $1,019,100.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

47. The debentures were admitted to trading on the NYSE at the opening of the trading session on August 4, 1958.

48. As trustee under the Indenture Chase authenticated and delivered upon the written order of Boeing, $30,597,600 aggregate principal amount of debentures in coupon form as of August 6, 1958.

49. The debenture forms were prepared by Boeing and were delivered by Boeing to Chase for authentication. Upon receiving the duly signed warrants together with payment for the debentures, City Bank requisitioned from Chase the number of debentures so paid for and City Bank delivered the debentures which it received from Chase to the subscribing parties or their designees. Except in the case of registered debentures, City Bank did not give the name of the purchaser to Chase.

50. The debentures were mailed via registered mail in an envelope addressed to the person designated on the warrant or who surrendered the warrant on behalf of the person designated on the warrant. The addresses that were placed on the envelopes were taken from the warrants or from the letters transmitting the warrants. Such letters were regarded by City Bank as routine correspondence, and if kept at all, were not retained for more than one year.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

51. If called at trial, W. M. Crane of City Bank would testify that:

(a) No list was either made or kept with respect to the addresses or the names of those to whom debentures were mailed at the time of their subscription on or about July 29, 1958.

(b) The only record which either Boeing or City Bank has in its possession as to whom debentures were issued and mailed are the warrants themselves, which are presently in the possession of City Bank.

52. Between August 4, 1958, when the debentures were admitted to trading on the New York Stock Exchange, and March 29, 1966, when trading in the debentures terminated, a total of $68,694,000 face amount of debentures, both coupon and registered, were traded. How many of the debentures issued in 1958 to those who exercised the rights were held in 1966 by the original subscribers is not known; nor is it known how many of the debentures were sold and resold to constitute the volume of debentures traded.

53. Chase, as interest paying agent for the debentures, pursuant to Section 7.03 of the Indenture, received generally semi-annually and otherwise from time

to time, coupons which had been detached from the debentures and tendered for the collection of interest. A vast majority of the coupons tendered to Chase were tendered by collecting banks. Where tendered by collecting banks, Chase made and retained a record of the name of the collecting banks to which it paid interest and the number of coupons for which it paid; in such instances Chase did not know the identity of the debentureholders for whom such tenders were made. In those instances in which coupons were tendered to Chase, either in person or by mail by debentureholders, Chase made and retained a list of such names for at least six months.

54. Sections 8.01 and 8.02 of the Indenture provide for Boeing's giving to Chase of the names and addresses of debentureholders who would become known to Boeing and its paying agents other than the Trustee and contain certain provisions as to the preservation by Chase of that information and other information as to names and addresses of debentureholders. On March 16 and September 16, 1959 Boeing wrote to Chase that the Company did not have in its possession any additional information with respect to the names and addresses of debentureholders that Chase did not have. Thereafter during the periods, March 15 to March 31, and September 15 to September 30 of each year

to and including March 1966, Chase wrote to Boeing with respect to names and the addresses of debentureholders: "Unless we are advised by you to the contrary we will assume that the Company has no such information to furnish us at this time" and in each instance Boeing did not reply. A copy of a sample letter from Chase to Boeing is annexed hereto as Exhibit 18.

55. Neither Boeing nor Chase gave notice of redemption by letter to any holders of bearer debentures. If the warrants had been turned over to the printer, the cost of preparing, printing, addressing and mailing such a letter to the parties exercising the warrants in 1958 would not have been substantial. Plaintiffs contend that the mailing should have been made to such parties. Defendants, on the other hand, contend that since the debentures were issued in bearer form and were negotiable upon delivery, there was no way of knowing as of 1966 the addresses of the debentureholders, and that in any event there was no requirement to send such a letter.

56. Neither Boeing nor Chase inquired of those collecting banks or any of them which had tendered for collection coupons bearing the payment dates of July 15, 1965 or January 15, 1966 as to the names and addresses of the debentureholders who had deposited the coupons for payment and neither Boeing nor Chase gave notice of redemption

to the banks which had tendered the said coupons for collection other than as described in paragraphs 120, 134, 139 and 141.

57. Between August 6, 1958 and August 31, 1958 holders of debentures in the aggregate principal amount of $27,000 requested registration of their debentures as to interest and principal and holders in the aggregate principal amount of $3,500 requested registration of their debentures as to principal only and debentures in said sums were deliveredby City Bank to Chase for registration and Chase returned debentures in such sums to City Bank for delivery to the holders so requesting.

58. Between September 1, 1958 and April 8, 1966 holders of debentures in the aggregate principal amount of $1,811,000 requested registration of their debentures as to interest and principal and holders in the aggregate principal amount of $334,200 requested registration of their debentures as to principal only and debentures in said sums were returned by City Bank to Chase for registration and Chase returned debentures in such sums to City Bank for delivery to the holders so requesting.

59. The Indenture provides in Section 4.04 that the basic conversion rate of the debentures shall be two

shares of Capital Stock for each $100 principal amount of debentures. Section 4.05 provides for adjustment in the conversion rate in the event certain types of action might be taken by Boeing, including among others, declaration of stock dividends, limited stock dividends, acquisitions for a consideration other than cash.

60. The Indenture provides in Section 4.05(a), inter alia, that in computing the adjustment there should be excluded "up to 350,000 shares" (appropriately adjusted on the basis of stock dividends) "which may be issued after July 1, 1958 pursuant to the Company's Stock Option Plan or Incentive Compensation Plan for Officers and Employees."

61. The Indenture provides in Section 4.05(b)(iv) that for purposes of computation of the conversion rate the consideration for shares issued as a limited stock dividend should be deemed to be the market value of each such share so issued on the date of declaration of the dividend.

62. The Indenture provides in Section 4.05(b)(ii) that in the case of the issuance of shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors of Boeing.

63. On November 3, 1958 Boeing declared a limited stock dividend of 4%. The closing price of Boeing Capital Stock on that date was $56.875.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

64. On or about December 31, 1958 Boeing made a conversion rate computation with respect to the 4% limited stock dividend. It took the November 3, 1958 NYSE closing price for Boeing Capital Stock of $56.875 and divided it by 1.04. It found as the result $54.75 ($56.875 divided by 1.04 equals $54.69). It then multiplied the consideration of $54.75 by 281,537 shares, (which was 4% of the total number of shares of Boeing Capital Stock outstanding on November 3, 1958) and included 39 shares issued as dividends on "excluded shares". It arrived at a total consideration of $15,414,151. A copy of the sheet on which the computation was made is annexed hereto as Exhibit 19.

65. By memorandum dated March 25, 1959 the computation described above in paragraph 64 was reported by O.E. Melby, Boeing's Treasurer, to Messrs. Yeasting and Nelsen of Boeing. A copy of Mr. Melby's memorandum is annexed hereto as Exhibit 20.

66. On or about November 2, 1959 Boeing declared a limited stock dividend of 2%. The closing price of Boeing Capital Stock on that date was $30.375.

67. On or about December 17, 1959 Boeing made a conversion rate computation with respect to the 2% limited stock dividend. Boeing computed the consideration to be allocated for this limited stock dividend at $30.375, that being the NYSE closing price on November 2, 1959.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

68. On or about December 17, 1959, the Company Treasurer changed the computation described in Paragraph 64 above, took the November 3, 1958 NYSE closing price for Boeing Capital Stock in full rather than divided by 1.04 and thereby increased the consideration allocated to the limited stock dividend of November 3, 1958 from $15,414,151 to $16,012,417, including dividends on the excluded shares. A copy of that computation, together with a copy of a memorandum dated December 17, 1959 from O.E. Melby to Messrs. Yeasting, Nelsen and Haynes, is annexed hereto as Exhibit 21. At all times thereafter Boeing continued to use its computations of December 17, 1959 with respect to the limited stock dividends of November 3, 1958 and November 2, 1959.

69. If called at trial, J.E. Prince, Senior Vice President of Boeing, would testify that on November 13, 1959 9 of Boeing's 13 directors met. No formal minutes of the meeting were recorded. A Memorandum of the Proceedings and a memorandum from Mr. Prince to the Board of Directors dated November 11, 1959 and entitled "Vertol Aircraft Corporation" ("Vertol") are annexed hereto collectively as Exhibit 22. The closing price of Boeing Capital Stock on the NYSE on November 13, 1959 was $33-5/8.

70. A regular meeting of Boeing's Board of Directors was held on December 7, 1959. Annexed hereto as

Exhibit 23 is a copy of the minutes of that meeting, from which the following is an extract:

> "Mr. Prince outlined the status of negotiations with Vertol, looking toward the possible acquisition of that company by Boeing, and reported that if agreements were reached it was tentatively planned to submit a Plan and Agreement of Reorganization to the Board of Directors of each company on January 18 with a meeting of the stockholders of Vertol shortly after February 15, and if the transaction were consummated, the closing date would probably be March 31, or possibly March 15, 1960. He advised that it was expected that drafts of the Plan and Agreement of Reorganization would be distributed for review by the Directors prior to the proposed meeting on January 18. He further reported that the Company had just received an inquiry from the United States Department of Justice requesting certain information and reports which the Department considered had a bearing on the anti-trust aspects of the proposed acquisition."

71. On March 31, 1960, Boeing acquired substantially all of the assets of Vertol for a consideration other than cash, namely stock of Boeing. The acquisition was done through a corporate reorganization in which the stockholders of Vertol received two shares of Boeing Capital Stock for each three shares of Vertol stock and received a total of 448,954 shares of Boeing Capital Stock.

72. Prior to Boeing's acquisition of Vertol, Vertol stock options had been granted to Vertol employees at various prices. Those Vertol stock option agreements which were still in effect at the time of the Company's acquisition by Boeing were amended to provide that Boeing

stock would be issued in lieu of Vertol stock and the price was adjusted proportionately so that the aggregate payments to be made by an optionee for two shares of Boeing Capital Stock would be the same as what he would have paid for three shares of Vertol stock. The options as amended granted rights to purchase 23,782 shares of Boeing Capital Stock at an aggregate price of $644,514.

73. On January 18, 1960 Boeing and Vertol entered into a Plan and Agreement of Reorganization. The closing price of Boeing Capital Stock on the NYSE on that date was $30-5/8. A copy of the Plan and Agreement of Reorganization is annexed hereto as Exhibit 24.

74. On March 31, 1960 the closing was held for Boeing's acquisition of substantially all of the assets of Vertol. The closing price on the NYSE on that date for Boeing Capital Stock was $24.

75. The number of shares of Boeing Capital Stock exchanged for Vertol stock as described in Paragraph 71 multiplied by the closing prices on the following dates aggregates as follows:

November 13, 1959	$33-5/8	$15,096,078
January 18, 1960	$30-5/8	$13,749,216
March 31, 1960	$24	$10,774,896

76. The acquisition of Vertol was recorded on Boeing's books as of March 31, 1960 as a pooling of interests at $12,435,138.47. This involved the recording of the book value of the assets net of liabilities of $12,435,138.47.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

77. If called at trial, H. W. Haynes would testify that at a meeting of the Boeing Board of Directors held on April 4, 1960, Mr. Allen stated that the Board was required by Section 4.05 of the Indenture to determine the fair value of the assets and business acquired from Vertol. Mr. Haynes made a statement with respect to such determination and recommended that the fair value of the considerations received by Boeing be determined to be $15,250,000 plus the $644,514 to be received upon the exercise of the Vertol stock options for a total of $15,894,514. A copy of an extract of the minutes of the meeting is annexed hereto as Exhibit 25.

78. Annexed hereto as Exhibit 26 is a copy of Form 8K filed by Boeing with the SEC for the month of April, 1960.

79. On or after April 4, 1960 and on or before April 17, 1960, Boeing made certain calculations with respect to adjustment of the conversion rate as of that time. A copy of those calculations is annexed hereto as Exhibit 27.

80. On or about April 17, 1960, Boeing made certain calculations with respect to adjustment of the conversion rate as of that time. A copy of those calculations is hereto annexed as Exhibit 28.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

81. If called at trial, H.W. Haynes would testify that:

The figure of $15,250,000, plus the amount to be received upon the exercise of the Vertol stock options, was calculated as follows:

The November 13, 1959 closing price on the NYSE of $33-5/8 for Boeing Capital Stock was multiplied by 472,736 shares [448,954 shares being the shares issued in connection with the acquisition of the assets of Vertol and 23,782 shares being the shares which would be issued to Vertol employees in connection with the stock options granted to them by Vertol prior to the acquisition] giving a product of $15,895,748. From this figure there was subtracted $644,514, which was the amount Boeing would receive upon the exercise of the Vertol stock options, and this leaves an amount of $15,251,234, which was rounded off to $15,250,000.

82. The last paragraph of Sec. 4.05 of the Indenture provides:

> "Whenever the Company shall make any adjustment in the conversion rate as herein provided, the Company shall forthwith (a) file with the Trustee and any conversion agent a statement, signed by the president or any vice president of the Company and by its treasurer or an assistant treasurer, showing in detail the facts requiring such adjustment and the conversion rate that will be effective after such adjustment and (b) publish at least once in an Authorized Newspaper a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price."

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

83. At no time after July 14, 1958 did Boeing file with the Trustee or any conversion agent a statement showing facts requiring an adjustment of the basic conversion rate. At no time after July 14, 1958 did Boeing publish any notice stating that the conversion price had been adjusted and setting forth the adjusted conversion price. At no time after July 14, 1958 did Boeing take any corporate action to assure that a sufficient number of shares was reserved for conversion at an adjusted conversion rate of 2.05 or more.

84. If called at trial, H. W. Haynes would testify that from time to time prior to March 10, 1961 Boeing consulted H. F. Olsen and his law firm with respect to conversion rate calculations which had been made by officers and employees of Boeing.

85. If called at trial, H. W. Haynes would testify that pursuant to Boeing's previous request, Harriman Ripley & Co. advised Boeing by letter dated March 31, 1960 with respect to certain aspects of the determination pursuant to Section 4.05(b)(ii) of the Indenture of the fair value of the consideration received for the shares of Boeing Capital Stock issued in connection with the Vertol acquisition. A copy of the letter is annexed hereto as Exhibit 29.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

86. If called at trial, H.W. Haynes would testify that pursuant to Boeing's previous request, its accountants, Touche, Ross, Bailey & Smart advised Boeing by letter dated April 4, 1960 with respect to certain aspects of the determination pursuant to Section 4.05(b)(ii) of the Indenture of the fair value of the consideration received for the shares of Boeing Capital Stock issued in connection with the Vertol acquisition. A copy of the letter is annexed hereto as Exhibit 30.

87. If called at trial, H. W. Haynes would testify that pursuant to Boeing's previous request, H. F. Olsen advised the Company by letter dated April 4, 1960 with respect to certain aspects of the determination pursuant to Section 4.05(b)(ii) of the Indenture by the Boeing Board of Directors of the fair value of the consideration received for the issuance of Boeing shares in connection with the Vertol acquisition. A copy of the letter is annexed hereto as Exhibit 31.

88. The question of the possible purchase by Boeing of some of the debentures in the open market is discussed in memoranda by P. S. Ford of Boeing to H. W. Haynes dated June 2, 1960 and O. E. Melby to E. M. Nelsen and H. W. Haynes dated June 16, 1960. Copies of these 2 memoranda are annexed hereto collectively as Exhibit 32.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

89. In a draft memorandum dated June 28, 1961, H. W. Haynes of Boeing discussed the possible redemption of the debentures. A copy of the memorandum is annexed hereto as Exhibit 33.

90. In a Memorandum for File dated July 20, 1961, J. E. Prince of Boeing discussed the possibility of calling the debentures. A copy of the memorandum is annexed hereto as Exhibit 34.

91. On March 10, 1961, L. E. Fillon of Boeing sent a memorandum entitled "Bond Indenture Restrictions" to Messrs. Haynes, Nelsen and Melby of Boeing. A copy of the memorandum is annexed hereto as Exhibit 35. As of that date the only three transactions which might have necessitated an adjustment in the conversion rate applicable to the debentures in accordance with Section 4.05 of the Indenture were the 4% stock dividend, the date of declaration of which was November 3, 1958, the 2% stock dividend, the date of declaration of which was November 2, 1959, and the acquisition by Boeing on March 31, 1960 of substantially all of the assets of Vertol. Between March 10, 1961 and the redemption of the debentures on April 8, 1966 there were no additional transactions which might have required an adjustment in the conversion rate.

92. As of March 10, 1961 and up to and including the redemption date of April 8, 1966 Boeing treated the conversion rate as 2.0448. It is Boeing's contention that

2.0448 is the proper conversion rate for this period. It is plaintiffs' contention that the proper conversion rate is 2.0725, and in any event 2.05 or more.

93. Annexed hereto as Exhibit 36 is a copy of Boeing's Annual Report for the year 1960.

94. If called at trial, H. W. Haynes would testify that prior to 1966 various conversations involving P. S. Ford, J. E. Prince, W. M. Allen and himself of Boeing and H. Berry of Harriman Ripley & Co. took place regarding the desirability of calling the debentures.

95. If called at trial, H.W. Haynes would testify that:

(a) During January and February 1966 H. W. Haynes and W. M. Allen of Boeing had a number of general, preliminary meetings and conversations with respect to Boeing's potential financing requirements.

(b) At these meetings, Mr. Haynes stated that if Boeing were to proceed with a financing program involving equity financing, consideration should be given to calling the debentures.

96. If called at trial, H. W. Haynes would testify that:

(a) On January 31, 1966 there was a preliminary review of possible financing plans at the Board of Directors meeting held in Seattle.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

(b) At this meeting Mr. Allen discussed in general terms Boeing's then current program and requirements, Boeing's potential programs, especially the 747, and financing requirements and the fact that an overall financing program was under consideration. No mention was made at this meeting of a call of the debentures.

97. If called at trial, H. W. Haynes would testify that on February 18, 1966 a meeting of Mr. Haynes of Boeing, B. D. Coleman, H. Berry and E. J. Morehouse of Drexel Harriman Ripley Inc. and P. L. Miller, E. Townsend, D. Campbell, Jr., and J. H. Laeri, Jr. of the First Boston Corporation took place in New York City at which there was discussion of the possible call of the debentures for redemption.

98. If called at trial, H. W. Haynes would testify that Boeing's capital requirements to support the facilities expansion, its commercial jet transport financing commitments, its production rate build-up of then existing subsonic jet transport programs, its working capital requirements for the Model 737 program, which was then in the design and development stage, for its Model 747 and supersonic transport programs - which were then in the preliminary design phase and with respect to which there were uncertainties as to whether the Company would proceed - and for government pro-

grams, were potentially of such magnitude that by late February 1966 it was thought desirable by Boeing and its investment banking advisors to increase the number of outstanding shares of the Company's Capital Stock (the "stock base").

99. If called at trial, H. W. Haynes would testify that by late February 1966 Boeing and its investment banking advisors anticipated that the first increment of the Company's capital would be equity capital and thought that a call of the debentures, which would result in conversion of the debentures into Capital Stock, would afford debenture-holders an opportunity to participate in the forthcoming rights offering and would broaden the stock base for such offering.

100. No provision of the debentures or the Indenture prevented any of the new financing contemplated in and prior to February, 1966 and all of the financing could have been accomplished without redeeming the debentures.

101. A first draft of the Notice of Meeting, the proxy and proxy material for the annual meeting of April 25, 1966 was prepared by the attorneys for Boeing on February 11, 1966. The only references to the debentures in the first draft are to list them as outstanding securities of Boeing and to state that no director of Boeing owned any of them. There is no reference to increasing the number of shares available under the Stock Option and Incentive Com-

pensation Plans, increasing the number of authorized shares nor to the elimination of fractional shares.

102. The Notice of Meeting, the proxy and proxy material were revised by Boeing's attorneys on February 16 and February 21, 1966. The revised documents referred to the debentures only as stated in Paragraph 101 above. The February 21, 1966 revision was mailed on that date to the SEC for approval. There is no reference to increasing the number of shares available under the Stock Option and Incentive Compensation Plans, increasing the number of authorized shares nor to the elimination of fractional shares.

103. If called at trial, H. W. Haynes would testify that:

(a) On February 24, 1966 there was a meeting in his office in Seattle attended by Mr. Haynes, D. D. Thornton, Treasurer of Boeing, and H. F. Olsen, Boeing counsel.

(b) At this meeting he reviewed the results of the meetings he had attended the prior week in New York City with Boeing's investment bankers and outlined a proposal to obtain additional financing for Boeing through the public issue of either additional stock or securities convertible into stock and possible time schedules for accomplishing this additional financing.

(c) It was also discussed that the call of the debentures should be an integral part of the financing program.

(d) A tentative time schedule was discussed with publication of the first notice of redemption on March 7 or 8, 1966, expiration of the right of conversion on March 29, 1966 and redemption on April 6, 1966.

(e) There was no discussion of possible loss to debentureholders who might not receive actual notice of the call of the debentures for redemption.

104. If called at trial, H. F. Olsen would testify that:

(a) At the meeting on February 24, 1966 with Mr. Haynes and Mr. Thornton, it was decided that Mr. Olsen should prepare drafts of resolutions for the Boeing Board of Directors meeting scheduled for February 28, 1966 to authorize an increase in the authorized capital stock, the making of a rights offering of Capital Stock or securities convertible into Capital Stock, the issuance of a two-for-one stock split, and a call of the debentures.

(b) At that meeting Mr. Olsen suggested that if a proposal was to be submitted to the stockholders for an amendment to the Certificate of Incorporation to increase the authorized Capital Stock of the Company, consideration also should be given to increasing the number of shares permitted by the Certificate of Incorporation to be issued to officers and employees free from preemptive rights of stockholders.

(c) The reasons given by Mr. Olsen for this suggestion are the same as those set forth in the Boeing Proxy Statement dated February 25, 1966, a copy of which is annexed hereto as Exhibit 37. The proposals to increase the number of authorized shares, including the number of shares issuable to officers and employees free of preemptive rights and to eliminate fractional shares and the reasons for each are set forth in the Boeing Proxy Statement dated February 28, 1966.

105. If called at trial, H. W. Haynes would testify that the Indenture provisions with respect to redemption of the debentures and publication of the notice of redemption and press releases relating thereto were discussed at a meeting on February 24, 1966, attended by H.W. Haynes, H.F. Olsen and D.D. Thornton, and at a meeting on February 27, 1966, attended by W. M. Allen, H. W. Haynes and H. F. Olsen, and with Boeing's investment banking advisors and their counsel on the telephone prior to the Board of Directors meeting on February 28, 1966 and at the meetings on March 2-4, 1966.

106. If called at trial, H. F. Olsen would testify that on February 24 or 25, 1966 H. F. Olsen had telephone conversations with E. Townsend of The First Boston Corporation and W. W. Foshay of the law firm of Sullivan & Cromwell,

counsel for Boeing's underwriters, during which it was discussed that tentatively the first publication of the notice of redemption should be on March 7, 1966, the conversion privilege should expire on March 28, 1966 and redemption of the debentures should be on April 6, 1966. There was no discussion of possible loss to debentureholders who might not receive actual notice of the call of the debentures for redemption.

107. If called at trial, H. W. Haynes would testify that on February 27, 1966 W. M. Allen, H. W. Haynes and H. F. Olsen attended a meeting at Mr. Allen's home in Seattle. At this meeting the draft resolutions which Mr. Olsen had prepared for the February 28, 1966 meeting of the Boeing Board of Directors and the tentative time schedule providing for publication of the first notice of redemption on March 7, 1966 and redemption of the debentures on April 6, 1966 were reviewed. There was no discussion of possible loss to debentureholders who might not receive actual notice of the call of the debentures for redemption.

108. If called at trial, H. W. Haynes would testify that:

(a) No specific long-range financial plan existed at the time of the February 28, 1966 Board of Directors meeting.

(b) Prior to the meeting the initial elements of a possible long-range financial plan had been discussed with Boeing's investment banking advisors. Such discussions related to Boeing's requirements for additional capital and the various alternatives available to Boeing for raising such additional capital.

(c) Boeing's investment banking advisors anticipated that the first increment of the company's capital would be equity capital and thought that a call of the debentures, which would result in conversion of the debentures into Capital Stock, would afford debentureholders an opportunity to participate in the forthcoming rights offering and would broaden the base for such offering.

109. If called at trial, D. D. Thornton of Boeing would testify that on February 28, 1966 he called J. L. Howard, a Corporate Trust Officer at Chase, and told Mr. Howard that the Boeing Board of Directors probably would authorize a call of the debentures for redemption at its meeting that day and advised him to be prepared for a redemption of the debentures.

110. A meeting of the Board of Directors of Boeing was held on February 28, 1966. It began in the morning in the Board Room at Boeing's Seattle offices, 7755 East Marginal Way, Seattle, Washington 98124, was adjourned to the

747 Mock-up Room at Renton in the afternoon and was later adjourned to a Boeing conference room at Renton, 8th and Logan, Renton, Washington 98055. A copy of an extract from the minutes of the meeting is annexed hereto as Exhibit 38.

111. The following Directors were present at the Boeing Board of Directors meeting held on February 28, 1966:

William M. Allen	George H. Weyerhauser
Lowell P. Mickelwait	John O. Yeasting
William G. Reed	Crawford H. Greenewalt
D. E. Skinner	Thomas R. Wilcox
Edward C. Wells	

The following Directors were not present at the meeting:

W. L. Campbell	Artemus L. Gates
C. L. Egtvedt	J. E. Prince

112. If called at trial, H. F. Olsen would testify that:

(a) Prior to the Boeing Board of Directors meeting on February 28, 1966, he telephoned R. N. Shriver of the NYSE and reviewed with him on a preliminary and confidential basis the tenative time schedule for the proposed call of the debentures and other aspects of Boeing's over-all financing plans, which were submitted to the Boeing Directors later that day.

(b) Mr. Shriver approved the dates that he discussed with him.

(c) The form of notice to be given to debentureholders was not discussed.

113. At the February 28, 1966 Board of Directors meeting there were discussions dealing with the requirements of Boeing for additional capital, including particularly (a) the issuance of either convertible subordinated debentures or senior debt as opposed to Capital Stock as the first step in raising additional capital, (b) additional equity capital, (c) the various alternatives available to the Company for raising such additional equity capital and (d) a tentative time schedule for this financing by a call of the debentues, a rights offering of either Capital Stock or a new issue of convertible securities and a stock split.

114. The 1966 increase in Boeing's authorized Capital Stock from ten million to thirty million shares was required so as to permit the stock split-up that was proposed to be effected in 1966 by the distribution of one additional share of stock for each share then outstanding. The reasons given by Boeing for such an increase in shares

and the stock split were presented at the meeting of the Board of Directors on February 28, 1966, by W. M. Allen, H. W. Haynes and H. F. Olsen and are set forth in the Boeing Proxy Statement dated February 28, 1966.

115. A "Tentative Timetable" dated February 28, 1966, which was prepared by H. F. Olsen, was distributed to and reviewed with the directors at the Board Meeting held on February 28th. A copy of this "Tentative Timetable" is annexed hereto as Exhibit 39.

116. Proposals for the call of the debentures, a rights offering, an increase in authorized capital, an increase in the number of shares issuable to officers and employees free of preemptive rights of stockholders, elimination of fractional shares and a stock split were presented to Boeing's directors at the February 28, 1966 Board Meeting by W. M. Allen, H. W. Haynes and H. F. Olsen.

117. Mr. Olsen distributed to the directors copies of drafts of resolutions which he had prepared relating to the call of the debentures, a rights offering, an increase in authorized capital, an increase in the number of shares issuable to officers and employees free of preemptive rights of stockholders, elimination of fractional shares and a stock split.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

118. If called at trial, H. F. Olsen would testify that at the Boeing Board of Directors meeting on February 28, 1966 the directors were advised that shares of Capital Stock in sufficient number to enable all outstanding debentureholders to convert had been reserved at the time the debentures were originally issued and that such shares were still so reserved.

119. Mr. H. F. Olsen, Boeing counsel, prepared and distributed to Boeing's directors at the February 28, 1966 meeting of the Board of Directors in Renton copies of the following resolution:

> "RESOLVED, that the President, Vice President-Finance, or Treasurer of the Company, or any one of such officers, is hereby authorized to take all such action as they or any one of them deems appropriate or necessary to call for redemption on a date to be selected by them or any one of them, all of the 4-1/2% convertible subordinated debentures of the Company then outstanding under the Indenture dated July 1, 1958, between the Boeing Airplane Company (name changed to The Boeing Company) and The Chase Manhattan Bank, Trustee."

No directors offered any amendments to the resolution as submitted and it was unanimously adopted.

120. On February 28, 1966, the Boeing News Bureau issued News Release S-8726 headlined "Boeing Reports 1965 Sales, Net Earnings" and marked "For Immediate Use" which, in part, stated that at the Board of Directors meeting held

that day "[t]he Company's management was also authorized to call for redemption at a future date all of the company's outstanding 4-1/2 percent convertible subordinated debentures". A copy of the release is annexed hereto as Exhibit 40. The release did not contain dates, either tentative or definite, as to when the debentures would be called for redemption. If called at trial Boeing News Bureau Manager J. H. Newland would testify that the release was issued as early as possible after Board action at the meeting to the financial editors of The New York Times and the New York Herald-Tribune, The Wall Street Journal and other major national newspapers, to the Associated Press and the United Press International, to Dow Jones and Company, Inc., to Seattle area newspapers, to aerospace publications and writers and to others.

121. During the period March 2 to March 24, 1966 no general news or press release was issued by Boeing to the financial press or news wire services indicating the dates selected for first publication of the notice of redemption of the debentures, the expiration date of the conversion privilege and the redemption date of the debentures.

122. If called at trial, H. W. Haynes would testify that both prior and subsequent to the Board of Directors meeting held on February 28, 1966 and prior to the call for redemption of the debentures the notice requirements for

call thereof were considered by Boeing and its counsel, Boeing's investment banking advisors and their counsel, and Chase and its counsel. Mr. Haynes would further testify that they were all of the opinion that the notice called for in the Indenture was the only notice required.

123. On March 1, 1966, H. V. Kohr of Boeing directed a teletype to the NYSE advising that at a meeting on February 28, 1966 the Board of Directors of Boeing had authorized its officers to call the debentures for redemption and that the redemption date had not been established. Mr. Kohr confirmed this advice in a letter to the Exchange dated March 2, 1966. A copy of the teletype and letter are annexed hereto collectively as Exhibit 41. On March 1, Mr. J. P. Raftery of the NYSE telephoned H. V. Kohr to inquire as to dates. If called at trial, H. F. Olsen would testify that he telephoned Mr. Raftery later in the day on March 1 to advise of the tentative timetable and that no specific date for the call had as yet been selected.

124. Between March 2 and March 4, 1966 a number of meetings were held at Boeing's offices in Seattle with respect to the Company's financing program. In attendance at some or all of these meetings were W. M. Allen, H. W. Haynes

and D. D. Thornton of Boeing; H. F. Olsen, Boeing counsel; E. Townsend, J. H. Laeri, Jr., D. Campbell, Jr. and F. L. L. Jones of the First Boston Corporation; J. Boyer, E. J. Morehouse and C. L. Fitzgerald, Jr. of Drexel Harriman Ripley, Inc.; and W. W. Foshay and N. Darrell, Jr. of Sullivan & Cromwell, counsel for Boeing's investment banking advisors in the possible financing being planned.

125. Those persons who were in attendance throughout most of the March 2, 1966 meeting were Messrs. Haynes, Thornton, Olsen, Townsend, Laeri, Campbell, Jones, Boyer, Morehouse, Fitzgerald, Foshay and Darrell. If called at trial, H. F. Olsen would testify that:

(a) At this meeting the date for the first publication of the notice of redemption was tentatively fixed for March 8, 1966 and the date for the expiration of the conversion privilege was tentatively fixed for March 29, 1966.

(b) At this meeting there also was discussion of where and how publication of the notice of redemption should be made and it was decided that publication should be made in all editions of The Wall Street Journal.

126. On March 2, 1966 Mr. Thornton of Boeing wrote Mr. Howard of Chase the following letter:

> "I am enclosing a certified copy of a resolution of our Board of Directors regarding the redemption of our 4 1/2% Convertible Subordinated Debentures and a certificate identifying the officers mentioned in this resolution.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

In accordance with the terms of the resolution and the indenture dated July 1, 1958 between Boeing Airplane Company (name changed to The Boeing Company) and The Chase Manhattan Bank, we would like to redeem all of the outstanding debentures. The redemption date we have selected is April 8, 1966. The redemption notice should be published in the Wall Street Journal (all editions) on March 8 and 18, 1966. I understand that you will make arrangements to have the notice prepared and published, and that we will have an opportunity to review a draft before publication.

The Company is not now in default in the payment of any Senior Indebtedness, and the redemption of the convertible subordinated debentures will not result in a default in any covenant contained in any indenture or other instrument pursuant to which Senior Indebtedness is outstanding."

127. If called at trial, H. W. Haynes would testify that Boeing sought and obtained legal opinions orally from Holman, Marion, Perkins, Coie & Stone, 1900 Washington Building, Seattle, Washington 98101 (subsequently confirmed in writing), and Sullivan & Cromwell, 48 Wall Street, New York, N. Y. 10005, during the meetings held at Boeing on March 2-4, 1966 to the effect that, inter alia, The Wall Street Journal was at the time of the publication of the notice of redemption in March 1966 a newspaper of general circulation in the Borough of Manhattan, City of New York, and that the notice to be given of the call of the debentures for redemption was adequate.

128. During the course of the March 2-4, 1966 meetings it was suggested that Mr. Thornton of Boeing con-

tact Chase and request that Chase prepare a recommended form of notice with respect to the call of the debentures for redemption.

129. By telegram dated March 2, 1966, J. L. Howard of Chase sent Mr. Thornton a draft of the contemplated notice which had been prepared by Dewey, Ballantine, Bushby, Palmer & Wood, counsel for Chase, in accordance with the usual practice of Chase. A copy of the telegram is annexed hereto as Exhibit 42.

130. Between February 1, 1966 and March 10, 1966 the NYSE Company Manual contained a Section A-10 dealing with publicity with respect to the redemption of securities. A copy of Section A-10 as then in effect is annexed hereto as Exhibit 43.

131. During the latter part of the March 2-4, 1966 meetings the draft notice of redemption which Mr. Howard had telegraphed to Mr. Thornton on March 2, 1966 was reviewed and approved.

132. After the Boeing Board meeting of February 28, 1966 and after the decision to call the debentures and to make the first publication on March 8, 1966, attorneys for Boeing further revised the Notice of Meeting, the proxy and the Proxy Statement on March 4, 1966 and on March 5, 1966 sent the said revised items to the SEC and to the NYSE

under cover of letters that stated that "It is planned that the Proxy, Notice and Proxy Statements will be released to stockholders on or about March 24, 1966." Neither the proxy material nor the letters refer to the debentures other than to describe them as outstanding as of February 28, 1966 and that no Boeing Director owned any. Copies of the March 5, 1966 letters from Boeing's attorneys to the SEC and NYSE are annexed hereto as Exhibit 44.

133. If called at trial, H.F. Olsen would testify that on March 7, 1966 he telephoned the NYSE and the substance of the conversation was that he advised the Exchange that the first date for publication of the Notice of Redemption would be March 8, 1966; that the conversion privilege would expire on March 29, 1966; that the debentures would be redeemed on April 8, 1966 and that the NYSE requested a copy of the Notice of Redemption as published and this was mailed by Chase to the Exchange on March 8, 1966.

134. On March 8, 1966, the attorneys for Boeing wrote to the SEC and to the NYSE enclosing an "Informal Letter to Stockholders" to be signed by Boeing's President which would be printed on the first page of the proxy material. The letters to the SEC and to the NYSE stated that it was intended that the material should be released

to stockholders on or about March 24, 1966. None of the materials, including the President's letter, refers to the call of the debentures. The proxy material does describe the debentures as outstanding as of February 28, 1966 and states that no Boeing director owned any of the debentures. Copies of the March 8, 1966 letters from Boeing's attorneys to the SEC and NYSE are annexed hereto as Exhibit 45.

135. On March 8 and 18, 1966 notice of redemption of the debentures was published by Boeing in all editions of The Wall Street Journal viz. the Eastern, Mid-Western, Pacific Coast and South-Western editions. A copy of the notice and affidavit of publication is annexed hereto as Exhibit 46.

136. As of March 8, 1966, when the debentures were called for redemption, Boeing was actively negotiating with Pan American World Airways for an order for 747 aircraft. Boeing's contract with Pan American World Airways for the sale of 747 aircraft was dated and signed on April 13, 1966.

137. A letter dated March 9, 1966 was received by Boeing from A. L. Rauch, Assistant Director of the Department of Stock List of the NYSE, in response to which (1) by letter dated March 16, 1966 H. V. Kohr sent to the

NYSE, two certified copies of the resolution adopted by Boeing's Board of Directors at the meeting held on February 28, 1966, which authorized the redemption of the debentures, and (2) by letter dated April 5, 1966, J. L. Howard of Chase advised the NYSE that funds had been deposited with Chase to effect payment of the debentures at the redemption price of 103.25%, together with accrued interest to April 8, 1966. Copies of these letters of March 9 and 16 and April 5, 1966 and a certified copy of Boeing's bank statement showing the deposits are annexed hereto collectively as Exhibit 47.

138. A story with respect to the options available to debentureholders as a result of the call of the debentures for redemption appeared on the first page of the March 24, 1966 issue of the Boeing News, a weekly newspaper distributed to all Boeing employees. The story originated in the office of D. D. Thornton, Treasurer of Boeing. A similar story appeared in the March 16, 1966 issue of the Boeing Management Information, which was distributed to Boeing management employees. Neither Boeing nor its agents kept any records with respect to which Boeing employees, if any, purchased or acquired the debentures and which Boeing employees, if any, failed to convert their debentures before expiration of the conversion privilege. Copies of the March

24, 1966 issue of the Boeing News and March 16 issue of the Boeing Management Information are annexed hereto collectively as Exhibit 48.

139. A copy of the Annual Report to Boeing Stockholders for the year 1965, which includes a letter from W. M. Allen, President of Boeing, to the Company's stockholders dated February 28, 1966 is annexed hereto as Exhibit 49. This Annual Report was mailed to Boeing stockholders between March 24 and March 30, 1966. Neither the Annual Report nor any papers accompanying it mentions a call of the debentures. The Boeing Proxy Statement dated February 28, 1966 and accompanying documents were mailed to all stockholders of record of Boeing Capital Stock as of the close of business on March 10, 1966 between March 31 and April 4, 1966.

140. On Friday, March 25, 1966, the News Bureau of Boeing issued a News Release marked "For Immediate Use", which stated, inter alia, that the final date for the conversion of the debentures was Tuesday, March 29, 1966. If called at trial, J. H. Newland would testify that this release was issued to Seattle area newspapers and to the Associated Press and United Press International. A copy of the release is annexed hereto as Exhibit 50.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

141. On March 25, 1966, H. W. Haynes and D. D. Thornton, while in New York City, inquired of Chase as to the status of the conversion. Telephone conversations followed with D. Campbell, Jr., and J. H. Laeri, Jr. of The First Boston Corporation and H. F. Olsen, Boeing counsel. Mr. Laeri suggested that another publication of the notice of redemption might be made, if feasible. Mr. Olsen discussed these matters via telephone from Seattle with Chase and Chase then arranged for a third publication of the notice in The Wall Street Journal on March 28, 1966 and for a single publication of the notice in The New York Times on March 28, 1966. As of March 25, 1966, $10,849,300 face amount of debentures remained unconverted.

142. On March 28, 1966 notice of redemption of the debentures was published by Boeing in all editions of The Wall Street Journal viz., the Eastern, Mid-Western, Pacific Coast and South-Western editions and in The New York Times. Copies of the notices and affidavits of publication are annexed hereto collectively as Exhibit 51.

143. Between February 28, 1966 and May 16, 1966, the Boeing Capital Stock base was increased as follows:

By conversion of debentures prior to March 8, 1966	8,352 shares
By conversion of debentures on and after March 8, 1966	399,410 shares
Incentive Compensation shares issued	3,726 shares
Employee stock options exercised	4,650 shares

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

144. On or about May 17, 1966, Boeing effected a 2-for-1 stock split, giving one additional share of Capital Stock for each share of record as of May 3, 1966.

145. On or about May 27, 1966, Boeing issued rights to its stockholders to purchase at $53 a share an additional share of Capital Stock for each 8 shares held. One right was issued for each share held. The rights sold at a high of $2 1/16 on May 30, 1966. Pursuant thereto Boeing sold 2,165,979 shares of its Capital Stock and received therefor a total consideration of $112,028,331 after the subtraction of underwriting commissions and expenses.

146. As a result of the events set forth in paragraphs 143-145 above, the sources of the Boeing stock base as it existed on or about June 15, 1966 were:

Source	Shares	% of Stock Base
Shares Outstanding February 28, 1966 after split	16,495,558	84.62%
Debenture Conversions after February 28, 1966 after split	815,524	4.18%
Employee Incentive and Stock Options after split	16,752	.09%
Rights Offering	2,165,979	11.11%
	19,493,813	100.00%

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

147. Set forth below is certain information with respect to the number of shares of Boeing Capital Stock outstanding and the number of holders thereof as of certain dates during the year 1966:

Date	Number of Shares Outstanding	Number of Stockholders
January 31, 1966	8,225,423	40,116
February 28, 1966	8,247,779	41,116
March 10, 1966	8,259,292	41,246 (March 7)
March 31, 1966	8,655,978	42,363
April 9, 1966	8,656,402	42,758 (April 8)
April 29, 1966	8,662,684	43,752
May 31, 1966	17,327,834*	45,982
June 30, 1966	19,493,813	46,178
July 31, 1966	19,493,813	52,916
August 31, 1966	19,493,813	55,883
September 30, 1966	19,495,513	58,259
October 31, 1966	19,495,713	60,523
November 30, 1966	19,496,013	61,949
December 30, 1966	19,496,519	62,581

148. On March 29, of 1966 the closing price of Boeing Capital Stock on the NYSE was $158.125 per share. The highest price reached by Boeing Capital Stock within 30 days after March 29, 1966 was $182.00 on April 14, 1966.

149. On or about August 26, 1966 Boeing issued rights to its stockholders entitling them, for each 15 shares of Capital Stock held, to purchase at par, $100 worth of 5 1/2% Convertible Subordinated Debentures due

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* There was a 2-for-1 stock split in May, 1966.

1991, which were convertible into Boeing Capital Stock at $63.50 a share. The highest price of these rights was $3/8ths on August 26, 1966.

150. Neither Boeing nor its agents has knowledge with respect to how many of its stockholders and debenture-holders purchased its 5 1/2% Convertible Subordinated Debentures due 1991, which were issued in August 1966 in registered form only.

151. Since March 29, 1966 Boeing has paid dividends on its Capital Stock as follows:

June 10, 1966	50¢ old stock
Sept.-Dec. 1966	60¢ new stock
1967	$1.20
1968	$1.20
1969	$1.20
1970	$ .40
1971	$ .10 (to date)

152. Of $21,514,700 face amount of debentures outstanding on March 8, 1966, $19,970,300 or 92.8% of the outstanding face amount of said debentures was converted during the period following the first notice on March 8, 1966 to and including March 29, 1966.

153. No conversions were made of debentures as to which there had been a failure to exercise conversion rights on or before March 29, 1966 except as set forth below in paragraph 154.

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

154. Arrangements were made by Boeing to authorize Chase to accept for conversion debentures received after March 29, 1966 but postmarked not later than midnight, March 29, 1966. Boeing also made arrangements to honor for conversion debentures not received by Chase prior to the close of business March 29, 1966 if there was a valid reason for such delay and a request in writing was received by Boeing or Chase prior to midnight, March 29, 1966 or such request was postmarked prior to midnight, March 29, 1966. $115,400 principal amount of debentures were converted pursuant to these arrangements even though such debentures were not physically surrendered until after the close of business on March 29, 1966.

155. There was $1,544,300 aggregate principal amount of coupon debentures as to which conversion rights were not exercised by the close of business on March 29, 1966.

156. There were three registered debentures totaling $400 as to which conversion rights were not exercised before the close of business on March 29, 1966.

157. Set forth below by quarters is the principal amount of debentures which had not been redeemed:

Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial

Quarter	Principal Amount
4/8/66	$1,505,700
7/1/66	1,151,700
10/1/66	904,800
1/1/67	802,500
4/1/67	734,800
7/1/67	707,300
10/1/67	679,300
1/1/68	655,400
4/1/68	628,900
7/1/68	619,900
10/1/68	601,700
1/1/69	593,300
4/1/69	585,300
7/1/69	545,000
10/1/69	498,700
1/1/70	477,500
4/1/70	460,000
7/1/70	442,500
12/31/70	388,200
4/1/71	380,600

158. D. D. Thornton in a letter dated April 11, 1966 to J. L. Howard of Chase, confirmed the prior verbal authorization of P. J. Leveton of Boeing on April 5, 1966 to transfer $1,616,040.00 from Boeing's account at Chase to a special redemption account so that funds would be available for redemptions. D. D. Thornton, in a letter dated April 26, 1966 confirmed prior verbal instructions of April 25, 1966 to Mr. Howard to transfer an additional

During the period June 30, 1958 to February 28, 1966 the number of stockholders of Boeing Capital Stock ranged from a low of 33,952 on September 30, 1958 to a high of 49,931 on September 30, 1962. During this period of time the percentage of Boeing's Capital Stock held in "street" name

varied from approximately 45% to 55%. From December 31, 1958 through February 1966 Boeing's Capital Stock turned over in excess of four times the number of shares outstanding. The extent to which the same shares were turned over more than four times and the extent to which shares were not turned over at all is not known.

164. Except as indicated in paragraph 154 above, all tenders for conversion made by debentureholders after March 29, 1966 were refused by Boeing and Chase. Boeing and Chase would have refused to convert any debentures tendered after March 29, 1966 by any debentureholders regardless of whether or not such debentures were in fact tendered after that date.

165. If called at trial, H. F. Olsen would testify that Boeing has taken the position that all debentureholders who have redeemed their debentures have waived any rights which debentureholders may establish in this action to convert their debentures into Boeing Capital Stock or for damages. This information has been conveyed by Boeing and its general counsel, both orally and in writing, to all debentureholders who have inquired of Boeing as to the status of their debentures. Commencing on August 25, 1966 Chase, at the request of Boeing's New York counsel in this action, commenced notifying debentureholders who tendered their

debentures for redemption of Boeing's position in this action with respect to waiver. This information was provided by Chase to all debentureholders tendering their debentures for redemption irrespective of whether they made a specific inquiry on the subject. The same information was given orally to debentureholders who inquired orally of Chase and this was followed up by Chase by sending the debentureholder a letter to the same effect. Copies of three letters, two sent by Boeing and one by Boeing's general counsel which are representative of the letters sent to debentureholders by Boeing, Chase and Boeing's general counsel, are annexed hereto collectively as Exhibit 54.

166. Annexed hereto collectively as Exhibit 55 are copies of the Boeing Annual Report for 1966 and the Boeing Proxy Statement dated February 27, 1967.

167. By order dated July 21, 1966, this action was declared a class action pursuant to Rule 23(b)(1) and 23(b)(2) of the Federal Rules of Civil Procedure.

Dated: New York, New York
July 14, 1971.

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Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to If Called at Trial

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ATTORNEYS FOR DEFENDANTS
The Boeing Company and
Thomas R. Wilcox

SO ORDERED

_____
U.S.D.J.

EXHIBITS ANNEXED TO AGREED STATEMENT OF FACTS

(Omitted Here but Included in Separate Bound Exhibit Volume Entitled "Exhibits to Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial")

PLAINTIFFS' PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW (Filed January 12, 1973)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILLIAM R. VAN GEMERT, et al.,	:	
Plaintiffs,	:	
-against-	:	66 Civ. 1820
THE BOEING COMPANY, et al.,	:	
Defendants.	:	

PLAINTIFFS' PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Plaintiffs propose the following findings of fact and conclusions of law.

FINDINGS OF FACT

The Parties

1. The plaintiffs are individuals who commenced eight different actions which were consolidated, pursuant to Rule 42(a) of the Federal Rules of Civil Procedure, for the conduct of all pre-trial proceedings and for trial, by order of this Court dated and filed on October 4, 1966, and for all purposes by consent of all parties and the order of this Court dated and filed on October 31, 1966.

2. Pursuant to said October 4, 1966 order, said actions have been maintained as a class action under Rule 23(b)(1) and

(2) of the Federal Rules of Civil Procedure on behalf of a class comprised of plaintiffs and all other present and former holders of The Boeing Company (formerly Boeing Airplane Company) 4-1/2% Convertible Subordinated Debentures due July 1, 1980 and called for redemption on April 8, 1966 (the "Debentures"), whose debentures were not surrendered for conversion on or before March 29, 1966.

3. Defendant The Boeing Company ("Boeing") is, and has been, a corporation organized and existing under the laws of the State of Delaware. (ASOF ¶3)*

4. Defendant Thomas R. Wilcox, at all relevant times since March 6, 1964 has been a director of Boeing and has been, at all relevant times, a resident of the State of Connecticut. (ASOF ¶4)

5. Defendant William M. Allen was, at all relevant times, the President of Boeing and the owner of 15,103 shares of Boeing Common Stock. (ASOF ¶5)

6. Defendant James E. Prince was, at all relevant times, the Secretary of Boeing and the owner of 2,949 shares of Boeing Common Stock. (ASOF ¶5)

7. Defendant The Chase Manhattan Bank (the "Bank") was

*References to "ASOF" are to the Agreed Statement as to Certain Facts and What Certain Witnesses Would Testify to if Called at Trial Dated July 14, 1971.

duly appointed to act as trustee under the indenture pursuant to which the Debentures were issued. (ASOF ¶21)

8. The plaintiffs and all other members of the class (hereinafter called the "Plaintiffs") are or were on March 30, 1966 holders of the Debentures. (Order of Court filed on October 4, 1966.)

9. The indenture was written by Boeing, and is expressed in the language of a standard contract. None of the Plaintiffs had any practical opportunity to bargain with respect to the terms of the indenture since the bargaining posture of Boeing was far greater than that of each of the Plaintiffs, and each of the Plaintiffs had to accept the indenture as presented by Boeing or not purchase any Debentures.

Background

10. On March 29, 1966, the aggregate principal amount of the Debentures then held by the Plaintiffs was $1,544,300.00 and their Debentures were redeemable for an aggregate amount of $1,594,489.75. The Debentures held by the Plaintiffs on March 29, 1969 were then convertible into an aggregate of 30,886 shares of Boeing Common Stock. On March 29, 1966, the closing price of Boeing Common Stock on the New York Stock Exchange ("NYSE") was

$158.125 per share, and the highest price reached by such stock within 30 days thereafter was $182 on April 14, 1966. (ASOF ¶¶155, 27 and 148; pp. 40-41, §5.01 and pp. 33-34 §4.04 of Indenture, Ex. 4 of ASOF)

11. On the basis of the aforementioned closing price of Boeing Common Stock on April 14, 1966, the difference between the aggregate value of the shares into which the Debentures of the Plaintiffs would have been convertible on April 14, 1966, and the aggregate redemption value of such Debentures was $4,026,762.25.

12. In accordance with the terms of the indenture, Boeing purported to call the Debentures for redemption on April 8, 1966 and cut off the conversion privileges on March 29, 1966. Accordingly, Boeing and, pursuant to Boeing's directions, the Bank, refused to convert any of the Debentures received for redemption after March 29, 1966, except for (1) Debentures which were mailed for redemption and postmarked on or before March 29, 1966 and (2) Debentures for which a written request for an extension was received or sent on or before March 29, 1966 when a valid reason for such an extension existed. (ASOF ¶¶126, 133, 153, 154)

13. An Agreed Statement of Certain Facts and What Certain Witnesses Testify to if Called at Trial, dated July 14, 1971 (the "Agreed Statement") was entered into by and among the attorneys for the parties. The Agreed Statement, together with all exhibits thereto are hereby incorporated herein by reference and this Court finds that all of the statements set forth therein are true.

Section A10 of the New York Stock Exchange Manual and the Listing Agreement with the New York Stock Exchange

14. At all relevant times, the Debentures have been listed on the NYSE. For the purpose and in consideration of being so listed, Boeing entered into a listing agreement with the NYSE, on November 5, 1957 (the "Listing Agreement"), which provides, inter alia:

> "[Boeing] will publish immediately to the holders of any of its securities listed on the Exchange any action taken by [Boeing] with respect to dividends or to the allotment of rights to subscribe or to any rights or benefits pertaining to the ownership of its securities listed on the Exchange; and will give prompt notice to the Exchange of any such action; and will afford the holders of its securities listed on the Exchange a proper period within which to record their interests and to exercise their rights; and will issue all such rights or benefits in form approved by the Exchange and will make the same transferable, exercisable, payable and deliverable in the Borough of Manhattan in the City of New York."

A copy of said Listing Agreement is annexed as Exhibit "8" of the Agreed Statement. (ASOF ¶18)

15. At all relevant times the NYSE manual contained a Section A10 dealing with publicity with respect to the redemption of securities which states, inter alia:

> "[Boeing's] listing agreement with the Exchange requires immediate publicity and immediate notice to the Exchange in respect of any corporate action (or of any other action of which [Boeing] has knowledge) which will result in, or which looks toward, the redemption of a listed security either as a whole, or in part.

Plaintiffs' Proposed Findings of Fact and Conclusions of Law

"Publicity: the term 'Publicity', as used in the foregoing paragraph and below, and as used in the listing agreement in respect of redemption action, refers to a general news release, and not to a formal notice or advertisement of redemption sometimes required by provisions of an indenture or charter.

"Such news release shall be made as soon as possible after corporate action which will lead to, or which looks toward, redemption is taken, or as soon as possible after the Company acquires knowledge of any such action taken by others, and shall be made by the fastest available means, i.e., telephone, telegraph or hand delivery.

"To insure coverage which will adequately inform the public, the news should be released to at least one or more newspapers of general circulation in New York City which regularly publish financial news, or to one or more of the national news wire services (Associated Press, United Press International), in addition to such other release as [Boeing] may elect to make. The release should also be made simultaneously to the news ticker service operated by Dow Jones & Company, Inc., which has agencies in various cities, and whose New York City address is 44 Broad Street....

"Emphasis is placed upon the necessity of promptness in releasing news regarding redemption because of its possible effect upon the market price of the security, and because of its general significance to holders of the security.

"Notice to exchange: In addition to immediate release of news regarding redemption to the public press, [Boeing] is required to give the Exchange notice in respect of such redemption as soon as possible after corporate action is taken, or as soon as possible after [Boeing] acquires knowledge of such action....

"In event of an action to redeem, or looking toward redemption of, an entire class, issue, or series of a listed security, the procedure described below shall be followed by [Boeing] with respect to Exchange requirements.

1. Give immediate newspaper publicity to the action, indicating in such publicity the redemption date, redemption price, and the dollar amount of dividends or interest to be paid upon redemption. ...If the security to be redeemed is convertible, indicate the rate of conversion and the date and time when the conversion privilege will finally expire....

2. Give immediate notice of the redemption action to the Exchange, including all details specified in paragraph 1 above, and, in addition the name and address of the redemption or paying agent. This notice shall be in writing and delivered by hand to the Department of Stock List of the Exchange, if feasible. If immediate hand delivery of written notice is not feasible, notice of the redemption action shall be given that department immediately by telephone or telegraph and confirmed promptly in writing....

"The paragraphs of the listing agreement relative to redemption are paragraphs 9, 10 and 11 of Section I and paragraphs 1(a), 1(b) and 4 of Section III of the current form of listing agreement, and read as follows:

I

...10 [Boeing] will promptly notify the Exchange of any corporate action which will result in the redemption, cancellation or retirement, in whole or in part of any of its securities listed on the Exchange, and will notify the Exchange as soon as [Boeing] has notice of any other action which will result in any such redemption, cancellation or retirement....

> ...4 [Boeing] will publish immediately to the holders of any of its securities listed on the Exchange any action taken by [Boeing] with respect to dividends or to the allotment of rights to subscribe or to any rights or benefits pertaining to the ownership of its securities listed on the Exchange; and will give prompt notice to the Exchange of any such action; and will afford the holders of its securities listed on the Exchange a proper period within which to record their interests and to exercise their rights; and will issue all such rights or benefits in form approved by the Exchange and will make the same transferable, exercisable, payable and deliverable in the Borough of Manhattan in the City of New York. "

A copy of said Section A10 of the NYSE manual is annexed as Exhibit "43" to the Agreed Statement. (ASOF 130; Stip. in open court)

Corporate Authorization for the Redemption of the Debentures

16. On February 28, 1966, the Board of Directors of Boeing approved the following resolution and authorized the redemption of the Debentures in accordance therewith:

> "RESOLVED, that the President, Vice President-Finance, or Treasurer of [Boeing], or any one of such officers, is hereby authorized to take all such action as they or any one of them deems appropriate or necessary to call for redemption on a date to be selected by them or any one of them, all of the [Debentures] then outstanding..." (ASOF ¶119)

17. Between March 2 and March 4, 1966, inclusive, officers of Boeing, including its President and Vice President-Finance, held several meetings, together with Boeing's legal counsel, with respect to Boeing's financing program. During

such meetings said officers selected the date for the redemption of the Debentures pursuant to the aforesaid resolution of Boeing's Board of Directors. (ASOF ¶¶124 & 125; TR. 194-195)*

18. As a result of the aforesaid meeting held on March 2, 1966, on March 2, 1966 Boeing, by its Treasurer, Dean B. Thornton, wrote a letter to the Bank as follows:

> "I am enclosing a certified copy of a resolution of our Board of Directors regarding the redemption of [the Debentures] and a certificate identifying the officers mentioned in this resolution.
>
> "In accordance with the terms and the indenture dated July 1, 1958 between [Boeing] and [the Bank] we would like to redeem all of the outstanding debentures. The redemption date we have selected is April 8, 1966. The redemption notice should be published in the Wall Street Journal (all editions) on March 8 and 18, 1966. I understand you will make arrangements to have the notice prepared and published, and that we will have an opportunity to review a draft before publication....
>
> Yours very truly,
>
> The Boeing Company
>
> By_____
> Dean B. Thornton,
> Treasurer "

(ASOF 126; TR. 138-140 and Pltfs. Trial Ex. 1)

*References to "TR." are to the Stenographer's Minutes of the Trial.

19. In view of the above quoted letter, dated March 2, 1966, from Boeing to the Bank, it is found as a fact that the redemption dates were decided upon by the officers of Boeing, pursuant to the aforesaid resolution of the Board of Directors, on March 2, 1966.

Publicity Given of the Redemption of the Debentures and Notification thereof Given to the NYSE.

20. Boeing's legal counsel was aware of the substance of the aforementioned Section A10 of the NYSE manual and discussed such substance with the officers of Boeing shortly before and after the February 28, 1972 Boeing Board meeting. However, there was no discussion at any of such meetings as to the possible loss to debenture holders who might not receive actual notice of the call of the Debentures for redemption. (TR. 128-130, 184-186; ASOF ¶¶103, 106, 107)

21. On February 28, 1966, prior to the aforementioned Board of Directors meeting of Boeing held on that day, Boeing's legal counsel called the NYSE and reviewed the redemption of the Debentures which would be proposed to the Board of Directors of Boeing that day and a tentative agenda of the proposed call and redemption of the Debentures. (TR. 188)

22. Immediately after the aforementioned Board of Directors meeting of Boeing on February 28, 1966, Boeing issued a news release marked "for immediate use" which stated, inter alia, that at the Board of Directors meeting held that day

Boeing's "management was...authorized to call for redemption at a future date all of [the Debentures]." The release did not contain dates, either tentative or definite, as to when the Debentures would be called for redemption and was issued to The New York Times, The New York Herald Tribune, The Wall Street Journal and other major and national newspapers, to the Associated Press, to the United Press International, to Dow Jones & Company, Inc., to Seattle area newspapers, to aerospace publications and writers and to others. (ASOF ¶120)

23. On March 1, 1966, H. V. Kohr of Boeing directed a teletype to the NYSE (subsequently confirmed by letter) advising that, at said Board of Directors meeting on February 28, 1966, the directors of Boeing had authorized its officers to call for redemption the Debentures. On the same date, March 1, 1966, Mr. Rafferty of the NYSE telephoned H. V. Kohr to inquire as to the dates of the call and redemption. In response thereto, Boeing's legal counsel telephoned the NYSE, later that day, to advise that the specific dates had not yet been selected. (ASOF ¶123)

24. On March 7, 1966, legal counsel for Boeing telephoned the NYSE and advised that the first date for publication of the notice of redemption would be March 8, 1966, that the conversion privileges would expire on March 29, 1966 and that the Debentures would be redeemed on April 8, 1966.

25. On March 8 and 18, 1966, a formal notice of redemption of the Debentures, in accordance with the indenture,

was published by Boeing in all editions of The Wall Street Journal, i.e., the Eastern, Midwestern, Pacific Coast and Southwestern editions. (ASOF ¶135)

26. A story with respect to the options available to the holders of the Debentures as a result of the call of the Debentures for redemption appeared on the 1st page of the March 24, 1966 issue of the Boeing News, a weekly newspaper distributed to all Boeing employees. A similar story appeared in the March 16, 1966 issue of the Boeing Management Information, which was distributed to Boeing management employees. (ASOF ¶138)

27. On March 25, 1966, Boeing issued a news release marked "for immediate use" which stated, inter alia, that the final date for the conversion of the Debentures was Tuesday, March 29, 1966. This release was issued only to Seattle area newspapers, the Associated Press and United Press International. (ASOF ¶140)

28. On March 28, 1966, another formal notice of redemption of the Debentures was published by Boeing in all of the aforesaid editions of The Wall Street Journal. (ASOF ¶142)

29. Other than as aforesaid, no general news release pertaining to the call of the Debentures was issued. (ASOF ¶121, TR. 147)

30. No notice of the redemption or expiration of conversion privileges of the Debentures was given by letter to any of the Plaintiffs (ASOF ¶55)

31. Boeing authorized the Bank to accept for conversion those of the Debentures which were received for redemption

on or before March 29, 1966, which were mailed and postmarked on or before March 29, 1966, and for which written requests for an extension were received or postmarked on or before March 29, 1966 when a valid reason for such request existed. (ASOF ¶154)

32. Other than as aforesaid, Boeing did not authorize or permit the conversion of any Debentures as to which there had been a failure to exercise conversion rights on or before March 29, 1966. The total principal amount of Debentures which had not been redeemed was $1,544,300.00. (ASOF ¶¶164, 155)

CONCLUSIONS OF LAW

1. Section A10 of the NYSE Manual is incorporated by reference in the Listing Agreement and, thus, a violation of the terms of said Section A10 is a violation and breach of the Listing Agreement.

2. Pursuant to the Listing Agreement and said Section A10, Boeing was required to "publicize", as such term is defined in Section A10, and to give notice to the NYSE of (1) the authorization given, on February 28, 1966, by Boeing's board of directors to Boeing's officers to call the Debentures for redemption and to select the dates therefor and (2) the selection, on March 2, 1966, of such dates by Boeing's officers.

3. Boeing complied with such publication and notification requirements of the Listing Agreement and Section A10 with respect to said authorization given, on February 28, 1966, by

Boeing's board of directors to Boeing's officers to call the Debentures and to select the dates therefor.

4. However, Boeing did not comply with such publication requirements of the Listing Agreement and Section A10 with respect to the selection, on March 2, 1966, of such dates by Boeing's officers. Boeing failed to so comply in that it (1) failed to issue a general news release (as opposed to publicizing a formal notice of redemption) as required by said Section A10 "as soon as possible after corporate action...by the fastest available means, i.e., telephone, telegraph or hand delivery" and (2) failed to issue any such news release to "at least one or more newspapers of general circulation in New York City which regularly publish the financial news, or to one or more of the national news wire services (Associated Press, United Press International)...[and] to the news ticker service operated by Dow Jones & Company, Inc."

5. Boing had knowledge of the substance of the Listing Agreement and said Section A10 at the time that it did not comply with same as aforesaid.

6. The provisions of said Section A10 and of the Listing Agreement dealing with "publicity" to be given to redemption, i.e., the provisions violated by Boeing, are for the benefit of the public, as opposed to internal "housekeeping" rules of the NYSE, and were promulgated pursuant to Sections

6(d) and 19(b) of the Securities Exchange Act of 1934 and, therefore, are part of the implementation of the statutory scheme for protecting public investors.

7. Because said provisions of said Section A10 and the Listing Agreement were promulgated pursuant to the 1934 Act and are a constituent part of the statutory scheme for protecting the public investors, Boeing is civilly liable to all investors who suffered damage by reason of Boeing's violation of said provisions to the extent of such damages.

8. By reason of said violations, Boeing damaged the Plaintiffs herein in the amount of $4,026,762.25, together with interest thereon from March 29, 1966.

9. Said provisions of the Listing Agreement were included for the benefit and protection of the public investors and, therefore, the Plaintiffs are third-party beneficiaries thereof and Boeing is liable to Plaintiffs for its breach of said provisions to the extent of the damages to them caused thereby.

10. By reason of Boeing's breach of said provisions of the Listing Agreement, the Plaintiffs were damaged in the amount of $4,026,762.25, together with interest from March 29, 1966.

11. The indenture is a contract of adhesion, with Boeing being the powerful party thereto, and, thus, the redemp-

tion provisions thereof are not enforceable, at least not without more effective notice of the redemption than that given by Boeing in the instant action.

12. Because said redemption provisions are unenforceable, Boeing wrongfully refused to convert the Debentures after March 29, 1966 and thereby damaged the Plaintiffs in the amount of $4,026,762.25, together with interest thereon from March 29, 1966.

Dated: New York, New York
January 18, 1973

Respectfully submitted,

KASS, GOODKIND, WECHSLER
& GERSTEIN

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PLAINTIFFS' PROPOSED FINDINGS OF FACT (Filed January 12, 1973)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILLIAM R. VAN GEMERT, et al.,
Plaintiffs,
-against-
THE BOEING COMPANY, et al.,
Defendants.

66 Civ. 1820

PLAINTIFFS' PROPOSED FINDINGS OF FACT

To The Honorable Sylvester J. Ryan:

Pursuant to Rule 52 of the Federal Rules of Civil Procedure, plaintiffs request the Court to make the following Findings of Fact and Conclusions of Law and to enter judgment for plaintiffs thereon:

FINDINGS OF FACT

1. By order dated July 21, 1966 this action was declared a class action pursuant to Rule 23(b)(1) and 23(b)(2) of the Federal Rules of Civil Procedure.

Agreed Statement, Par. 167.

2. The action was instituted and joined in by some of the holders of the 4-1/2% Convertible Subordinated Debentures due July 1, 1980, issued by Boeing Airplane Company (now The Boeing Company and hereinafter called "Boeing") for the benefit of all of those who owned such debentures (hereinafter called "the debentures") after the close of business on March 29, 1966 and whose tender of the debentures for conversion was refused or whose tender was unnecessary because of Boeing's prior refusal to accept tender of the debentures for conversion.

Plaintiffs' Proposed Findings of Fact
Consolidated Complaint Par. 3.

3. Plaintiffs are residents of various states and none of them resides in Delaware. Defendant Boeing is and at all relevant times was a corporation organized and existing under the laws of the State of Delaware. The matter is controversy exceeds the sum or value of $10,000 exclusive of interest and costs.

Agreed Statement, Pars. 2 and 3.

4. The complaint alleges various causes of action, including violation of the laws of the United States, to wit, the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939.

Consolidated Complaint, Par. 1.

5. On or about June 23, 1958, the Board of Directors of Boeing authorized issuance of the debentures in the aggregate amount of $30,597,600.

Agreed Statement, Par. 11.

6. On or about June 23, 1958, the Boeing Board of Directors authorized the issuance to stockholders of Boeing of one right for each share held and the right to subscribe, at a price to be fixed, for $100 principal amount of the debentures with each 23 rights tendered by the holder.

Agreed Exhibit 2, Page 3.

7. On or about July 14, 1958, the Boeing Board of Directors fixed the subscription price at $100 for each $100 principal amount of the debentures and the conversion rate at two shares of capital stock for each $100 principal amount of the debentures, subject to adjustment as provided in Article Four of the Indenture.

Plaintiffs' Proposed Findings of Fact
Agreed Exhibit 11, Pages 3, 4; Agreed Statement, Par. 25.

8. On July 15, and July 16, 1958 Boeing mailed to each of its stockholders of record: a) a transferable warrant evidencing one right for each share standing of record in the name of such stockholder; b) a letter stating that with each 23 rights the stockholder was entitled to subscribe for $100 principal amount of the debentures at the price of $100 and that such rights would expire on July 29, 1959; and c) a prospectus which stated, in part, that the debentures would be convertible into Boeing common stock at two shares for each $100 principal amount, subject to adjustment "to protect the conversion rate against dilution".

Agreed Statement, Paragraphs 30, 31, 34, 36, 37, 38, 39, 40; Agreed Exhibits 14, 15, Pages 18-19.

9. The total number of rights issued was 7,037,448. The rights were traded on the New York Stock Exchange between July 16, 1958 and July 29, 1958. The total traded was 1,702,200 and it is not known to what extent the same rights were turned over to make this total. At least 5,335,248 rights, or 75.8% of them, were not traded.

Agreed Statement, Par. 41.

10. Each warrant bore the name and address of the stockholder to whom it was issued and the number of his rights; each provided a form of transfer of the warrant in which "the name and address of the new holder executing the subscription must be filled in"; and each provided for the "name and address for delivery" if different from the name and address of the holder.

Plaintiffs' Proposed Findings of Fact

Agreed Exhibit 14, Pages 1, 2 and 3; Agreed Statement, Par. 33.

11. The principal amount of the debentures subscribed for and issued by Boeing on delivery to it of warrants evidencing rights was $29,578,500, or 96.67% of the total issue of $30,597,600. The remaining amount of $1,019,100 was purchased by the underwriters.

Agreed Statement, Par. 46.

12. The warrants which were exercised by tendering them to City Bank Farmers Trust Company as Subscription Agent for Boeing were retained and stored by City Bank Farmers Trust Company and by its successor, First National City Bank. In 1966 they were and they still are retained by its successor, First National City Bank and have at all times been available for delivery to Boeing on its request.

Agreed Statement, Pars. 13, 44, 45, 51.

13. The principal amount of all of the debentures issued in registered form between the date of original issue and April 8, 1966 was $2,145,200. The principal amount of the debentures issued in coupon form and retained in that form was at least $28,452,400.

Agreed Statement, Par. 58.

14. On or about July 21, 1958 plaintiff Joanne W. Finn subscribed for $3,000 principal amount of the debentures; upon delivery by her of the required number of rights and $3,000 she received debentures 10871-2-3, each in the principal amount of $1,000; she has at all times since continued to be and still is the owner and holder thereof.

Agreed Statement, Par. 2, Trial Transcript, Pages 261-2, 361.

Plaintiffs' Proposed Findings of Fact

15. All of the plaintiffs are or were on March 30, 1966 holders of one or more of the debentures.

Agreed Statement, Par. 1.

16. The debentures were listed on the New York Stock Exchange.

Agreed Statement, Pars. 17, 22.

17. Chase Manhattan Bank was appointed as and from and after July 23, 1958 acted as Trustee under the Indenture.

Agreed Statement, Pars. 14, 21.

18. Section 4.05 (part of Article IV) of the Indenture reads as follows:

Plaintiffs' Proposed Findings of Fact

Agreed Exhibit 4, Pages 34-38 inclusive.

19. Section 4.07 of the Indenture provides in part:

> ". . . The Company shall at all times reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Debentures, such number of its duly authorized shares of Capital Stock as shall from time to time be sufficient to effect the conversion of all outstanding debentures."

Agreed Statement, Par. 26.

20. On or about July 14, 1958 Boeing reserved 611,952 shares of stock to be issued in the event of conversion at the basic rate of 2 shares for each $100.

Agreed Statement, Par. 27.

21. At no time after July 14, 1958 did Boeing file with the trustee or any conversion agent a statement showing facts requiring adjustment of the conversion rate or setting forth any adjustment in the conversion rate; at no time did Boeing publish a notice of adjustment in the conversion rate; and at no time did Boeing take any corporate action to reserve any additional shares to be issued upon adjustment in the conversion rate.

Agreed Statement, Par. 83.

22. Boeing declared stock dividends of 2% in 1956, 4% in 1957, 4% in 1958 and 2% in 1959; in each case Boeing calculated the sum to be transferred from retained earnings to capital as follows: Boeing took the closing price on the New York Stock Exchange on the date of declaration of the stock dividend and divided that price by 1.02, 1.04, 1.04 and 1.02 respectively; it multiplied each quotient by the number of shares issued at that time; it transferred that amount from retained earnings to capital.

Plaintiffs' Proposed Findings of Fact

Stipulation, Trial Transcript, Pages 265-6; Agreed Exhibit 13, Pages 29, 31; Trial Exhibit 6 Comments; Agreed Statement, Pars. 63, 66.

23. Under date of December 31, 1958 Boeing made a calculation entitled "Conversion Rate Calculation". That calculation was identical with the calculation made for the purpose of determining the sum to be transferred from retained earnings to capital, i.e. the closing price of the stock on November 3, 1958 on the New York Stock Exchange, $56.875, was divided by 1.04; the resulting quotient, $54.69, was rounded off to $54.75 and multiplied by 281,537 shares, the number issued in connection with the 4% stock dividend; the resulting sum of $15,414,151 was identified as "Consideration Received" for the limited stock dividend for purposes of the "Conversion Rate Calculation". Without the rounding off, the precise calculation of $54.69 multiplied by 281,537 shares gives a product of $15,397,259.

Agreed Statement, Pars. 63, 64; Agreed Exhibit 19; Pivar, Trial Transcript, Page 269.

24. Under date of March 25, 1959 Mr. Orville E. Melby, Boeing's treasurer addressed a memorandum to Messrs. J. O. Yeasting and E. M. Nelsen setting forth, as of December 31, 1958, various calculations required under the outstanding bond indentures entered into by Boeing; under the heading "Stock Dividend and Conversion Rate" Mr. Melby referred to various provisions of the indenture and, among other things, stated that for conversion purposes the consideration for the 281,537 shares issued as a 4% stock

dividend was $15,414,151, being the same sum as Boeing transferred from retained earnings to capital.

Agreed Exhibit 20, Page 1; Agreed Statement, Par. 65.

25. Mr. Yeasting, one of those to whom Mr. Melby addressed the memorandum of March 25, 1959 was then the Vice-President-Finance, the Controller and a director of Boeing and Mr. Nelsen became Treasurer of Boeing in or before 1960.

Trial Exhibit 4 at Page 5; Agreed Exhibit 36, at Page 31.

26. Mr. Melby was a capable man and he had read the Indenture.

Gorans, Trial Transcript, Page 341.

27. On or about December 17, 1959 Boeing made a new "Conversion Rate" calculation for the November 3, 1958 stock dividend; in lieu of the December 31, 1958 computation which read:

"4% stock dividend 11/4/58
(4% on 7,038,407 shares at 54.75)"

and on the left thereof:

56.875 ÷ 1.04 = 54.75

the computation as to the same stock dividend appears in the 1959 calculation as follows:

"4% stock dividend 11/4/58
(4% on 7,038,407 shares at 56.875)"

and the resulting figure for "Consideration" alongside "Conversion Rate Calculation" in the new calculation is $16,012,417 instead of the $15,414,151 in the 1958 calculation. The 1959 calculation continued by calculating the 2% stock dividend of November 2, 1959 at the full closing

market price on November 2, 1959, namely, $30.375 and stated the consideration therefor to be $4,479,979.

Agreed Statement, Pars. 67, 68; Agreed Exhibits 19, 21, Page 3.

28. When the closing price of Boeing stock on the New York Stock Exchange on November 2, 1959, i.e. 30.375, is divided by 1.02 the result is 29.77 and when that is multiplied by number of shares issued in that stock dividend, i.e. 147,489, the product is $4,390,748.

Agreed Statement, Par. 66; Pivar, Trial Transcript, Page 269.

29. Under date of December 17, 1959 Mr. O. E. Melby sent a memorandum, to Messrs. Yeasting, Nelsen and Haynes. Mr. Haynes was at that time Controller of Boeing. Under the heading "Stock Dividend and Conversion Rate" the memorandum stated that the consideration for the November 1958 stock dividend was $16,012,417 and for the 2% stock dividend of November 2, 1959 it was $4,479,979.

Agreed Statement, Pars. 6, 67, 68; Agreed Exhibit 21.

30. The difference between the calculation of the consideration for the stock dividends at a) the full closing prices on the dates of declaration of the stock dividends ($16,012,417 and $4,479,979) and b) the closing prices divided by 1.04 for 1958 and 1.02 for 1959 ($15,397,259 and $4,390,748) is $704,389.

Pivar, Trial Transcript, Page 269.

Plaintiffs' Proposed Findings of Fact

31. It was the duty of Boeing's outside accountant to read the applicable portions of the Indenture and to reach a conclusion as to the effect of such dividends upon the conversion price. If a reading of the Indenture left the accountant in doubt as to whether there was room for an inconsistency between the treatment for conversion rate purposes of the consideration deemed received for the stock dividend and the treatment for accounting purposes the accountant should have obtained a written opinion of Boeing's legal counsel interpreting the provision of the Indenture in this respect.

Pivar, Trial Transcript, Pages 273-9.

32. In the year 1958 neither Boeing nor its outside accountants obtained any opinion of counsel, oral or written and in the year 1959 counsel for Boeing was unaware of the company's prior practice with respect to conversion rate calculations.

Olsen, Trial Transcript, Page 254.

33. Boeing's outside accountant does not recall seeing prior to 1971 the Boeing conversion rate calculations which were made in 1958, 1959, 1960 and 1961.

Gorans, Trial Transcript, Pages 327-9.

34. There is no evidence that Boeing's accountants or its outside counsel ever gave a written opinion as to the interpretation of the provisions of the Indenture relating to stock dividends.

35. The Indenture provided that in the event of any doubt in the Board of Directors as to whether Section 4.05 adequately covered conditions or events which

might materially and adversely affect the conversion rates of the debenture holders the Board was required to call in an independent firm of accountants and obtain from them a written opinion. No such opinion was ever asked or obtained.

Agreed Exhibit 4, Pages 37-8.

36. On November 13, 1959 nine of Boeing's thirteen Directors held an informal meeting to consider the acquisition of Vertol Aircraft Corporation. Of the nine members present six were officers and employees of Boeing. The Directors present had received on either November 12 or November 13 a memorandum dated November 11, 1959 composed by Mr. J. E. Prince who was then secretary of the corporation and a covering letter dated November 12, 1959 from Mr. Allen who was then president of the corporation relating to "The possible acquisition of the Vertol Aircraft Corporation". On or after November 16, 1959 Mr. Prince prepared a "Memorandum of Proceedings of the Informal meeting of Directors on November 13, 1959, and of discussions with two of the Directors who did not attend the meeting". That memorandum recites in part:

a. Mr. Yeasting, who was at that time Vice-President-Finance, Controller, a director and "a very capable man" opposed the acquisition on several grounds, one of them being:

> "This acquisition will reduce the conyersion price of our convertible debentures outstanding which will increase the number of shares to be issued if and when the bonds are converted."

Plaintiffs' Proposed Findings of Fact

Trial Exhibit 4 at Page 5; Agreed Exhibit 22 at Page 2; Allen, Trial Transcript, Page 99.

b. Mr. Prince, secretary of the corporation reported that "It had been extremely difficult to reach a tentative agreement with the Vertol management that did not provide the $22 a share equivalent of the Vertol stock; that this 5% stock dividend contingency was a compromise finally offered to reach agreement". This meant that if the Boeing stock was below $33 a share at the time a formal agreement was submitted to the Board of Boeing, Vertol would be permitted to declare a 5% stock dividend thus increasing the number of Boeing shares to be given by 5%.

Agreed Exhibit 22; Memorandum of Proceedings, Page 6; Memorandum of November 11, 1959, Page 8.

c. A motion was adopted approving negotiations for acquisition of Vertol on the basis of two shares of Boeing stock for each three shares of Vertol stock with the proviso that no 5% stock dividend by Vertol would be accepted.

Agreed Exhibit 22, Page 6.

d. No firm decision to proceed with negotiations was made until on or after November 16, 1959.

Agreed Exhibit 22, Page 7.

e. There was no discussion at the meeting of November 13, 1959 as to outstanding Vertol stock options.

Agreed Exhibit 22; Agreed Exhibit 29, Page 2; Allen, Trial Transcript, Pages 90-2.

Plaintiffs' Proposed Findings of Fact

37. After the meeting of November 13, 1959 and the discussions with absent directors on November 16, 1959, Boeing "moved forward to, hopefully, consummate the negotiations that were authorized. In other words to come to a conclusion with Vertol, either come to a conclusion or if Vertol said no, why, to drop the matter" and Boeing did not know whether its refusal to permit a Vertol stock dividend "would kill the deal or not".

Allen, Trial Transcript, Page 113; Agreed Exhibit 22, Page 7.

38. The following appears in the minutes of Boeing's Board of Directors' meeting of December 7, 1959:

> "Mr. Prince outlined the status of negotiations with Vertol, looking toward the possible acquisition of that company by Boeing, and reported that if agreements were reached it was tentatively planned to submit a Plan and Agreement of Reorganization to the Board of Directors of each company on January 18 with a meeting of the stockholders of Vertol shortly after February 15, and if the transaction were consummated, the closing date would probably be March 31, or possibly March 15, 1960. He advised that it was expected that drafts of the Plan and Agreement of Reorganization would be distributed for review by the Directors prior to the proposed meeting on January 18. He further reported that the Company had just received an inquiry from the United States Department of Justice requesting certain information and reports which the Department considered had a bearing on the anti-trust aspects of the proposed acquisition."

Agreed Statement, Paragraph 70.

39. On or about January 18, 1960 the Boards of Directors of Boeing and Vertol approved an agreement for the acquisition by Boeing of substantially all of the assets of Vertol on the basis of two shares of Boeing to be delivered to Vertol for each three shares outstanding. The stock-

holders of Vertol approved the agreement on or about February 24, 1960 after which date the "Plan and Agreement of Reorganization" by which Boeing acquired the assets of Vertol was signed as of January 18, 1960.

Agreed Exhibit 24; Agreed Statement, Par. 73; Agreed Exhibit 25, Page 7.

40. At the time of the commencement of negotiations with Vertol, shortly after November 13, 1959, no formal proposal was made for an exchange of Boeing options for Vertol options; the basis for the exchange of options was arrived at later in the negotiations.

Agreed Exhibit 29, Page 2.

41. The agreement to give two shares of Boeing to each person who exercised his stock options in Vertol at the price he would have had to pay for three shares of Vertol was included in the agreement made as of January 18, 1960. The options granted in lieu of the Vertol options gave the optionees the right to purchase 23,782 shares of Boeing capital stock at an aggregate price of $644,514.

Agreed Statement, Paragraph 72; Agreed Exhibit 29, Page 2; Agreed Exhibit 24, Page 8.

42. On March 31, 1960, pursuant to the contract made as of January 18, 1960, Boeing acquired substantially all of the assets of Vertol for a consideration other than cash, namely, stock of Boeing. The acquisition was carried out through a corporate reorganization in which the stockholders of Vertol received two shares of

Boeing capital stock for each three shares of Vertol stock and received a total of 448,954 shares.

Agreed Statement, Paragraph 71.

43. The number of shares of Boeing capital stock delivered to Vertol on the basis of two shares of Boeing stock for each three shares of Vertol stock outstanding as of January 18, 1960 multiplied by the closing prices on each of the following dates gives the following aggregates:

Date	Closing Price	Aggregate
November 13, 1959	$33-5/8	$15,096,078
January 18, 1960	30-5/8	13,749,216
March 31, 1960	24	10,774,896

Pivar, Trial Transcript, Pages 269-71; Agreed Statement, Paragraph 75.

44. A meeting of the Board of Directors of Boeing was held on April 4, 1960. The Board of Directors was told by Mr. Allen that pursuant to the indenture underlying the debentures it was required to determine the fair value of the assets and business of Vertol. The subject was then discussed by Mr. Haynes.

Agreed Statement, Paragraph 77, Agreed Exhibit 25.

45. At the meeting of the Board held on April 4, 1960, Mr. Haynes stated to the Board that for purposes of recording the acquisition on the books of the company, a pooling of interests method would be used which involved the recording on Boeing's books of the same figures of assets and liabilities as were on Vertol's books and he stated that

the net book value of Vertol's tangible assets was approximately $13,799,000 on September 30, 1958 and approximately $13,460,000 on March 31, 1960 and that certain adjustments would be made to these figures when recorded on Boeing's books. Mr. Haynes did not state that the actual figure recorded on Boeing's books as of March 31, 1960 was $12,435,138.47.

Agreed Exhibit 25, Pages 5-6; Agreed Statement, Par. 76, Haynes, Trial Transcript, Page 163.

46. At the meeting of the Board held on April 4, 1960 Mr. Haynes stated that the book value of the tangible assets would be used for the purposes of computing the Pennsylvania State excise tax; he did not state to the Board that the book value of the tangible assets would be reported at approximately $9,000,000.

Agreed Exhibit 25, Page 6; Haynes, Trial Transcript, Pages 164-5.

47. At the meeting of the Board held on April 4, 1960, Mr. Haynes stated that one way of computing the value of the consideration would be to have a detailed appraisal made. However, no appraisal was made and the appraisal method of evaluating the consideration was not used.

Agreed Exhibit 25, Page 6; Gorans, Trial Transcript, Page 342.

48. At the meeting of the Board held on April 4, 1960, Mr. Haynes stated that another method of valuation was to capitalize earnings and he stated that the average earnings of Vertol for the five year period ending December 31, 1959 were approximately $1,550,000 but that it was not anticipated that the prospective earnings of Vertol for the

next several years would approach this average. Mr. Haynes did not tell the meeting that the net earnings of Vertol were as follows:

Year Ending	
December 31, 1956	$3,437,563
December 31, 1957	1,656,768
December 31, 1958	869,553
December 31, 1959	235,299
January 1 - March 31, 1960 (loss before taxes)	(988,636)

Mr. Haynes did not tell the Board that in 1959 of the total net income of $235,299 the sum of $179,890 had been earned in the first three months of that year. The capitalization of earnings method is not used where there are losses and the method was not used in evaluating the consideration received in Vertol.

Agreed Exhibit 25, Page 7; Agreed Exhibit 26, Annual Statements of Vertol; Gorans, Trial Transcript Pages 542-5.

49. At the meeting of the Board held on April 4, 1960, Mr. Haynes stated that another method of valuing the consideration received in Vertol was to take the value of the Boeing stock given for these assets. He informed the Board that in the last six months of 1959 the closing market price high was $36 in July and the low was $30 in September; that the closing price on November 13, 1959 was $33-5/8; that the highest closing price since that time was $35-3/8 on November 27, 1959; that the closing price on January 18, 1960 was $30-5/8 and that the closing price on March 30, 1960 was $24-1/8. The low price was, in fact, $29-1/8 in October,

Plaintiffs' Proposed Findings of Fact

1959. The closing price on March 31, 1960 was $24.

Agreed Exhibit 25, Page 7, Agreed Statement, Paragraph 74.

50. The method recommended by Mr. Haynes on April 4, 1960 to the Board for computation of the fair consideration was to take the closing price of $33-5/8 on November 13, 1959 and to multiply it by 472,736 shares (448,954 shares being the shares issued in exchange for the assets of Vertol and 23,782 shares being the shares which would be held for the possible exercise of stock options granted to Vertol employees) giving a product of $15,895,748. From this figure he subtracted the sum of $644,514 which was the amount Boeing would receive if the Vertol stock options were exercised and the difference of $15,251,234 was rounded off to $15,250,000.

Agreed Statement, Paragraph 81.

51. Upon question from one of the directors Mr. Haynes stated at the Board meeting of April 4, 1960 that a calculation had been made as to the minimum value that could be placed on the assets of Vertol without an adjustment in the conversion price being required; and that such figure as adjusted for the amounts to be received upon the exercise of options (approximately $644,000) was approximately $15,216,000.

Agreed Exhibit 25, Page 8.

52. At the meeting of April 4, 1960 Mr. Haynes stated to the Board that he had the opinion of Harriman, Ripley & Co., Inc. stating that the method which he recommended was a fair and reasonable method of arriving at the

fair value. Harriman, Ripley & Co., Inc. was then being consulted about the entire Boeing refinancing and was one of the two principal underwriters of the debentures in 1958 and of the new financing in 1966 which is the last financing done by Boeing.

Agreed Exhibit 25, Page 8; Agreed Exhibit 29, Page 2; Agreed Exhibit 15, Page 3; Olsen, Trial Transcript, Page 245.

53. At the meeting of April 4, 1960 Mr. Haynes stated that he had an opinion from counsel for the company that "if the directors are fully informed as to the facts a determination of 'fair value' made by the directors in good faith based on the market value of the Company's stock on November 13, 1959, probably could not be challenged successfully". That opinion said among other things:

> "From our examination of the authorities, it is our opinion that the Directors have broad powers in the determination of that 'fair value' to be assigned property received in exchange for corporate stock and any court would be extremely reluctant to override such a determination, when made in good faith and after a thorough consideration of all relevant facts. But you will observe that under the terms of Section 4.05 of the Indenture it is to the benefit of the owners of the Convertible Debentures to have the assets received from Vertol valued as low as possible, while a higher valuation would be to the present stockholders' advantage. This conflict of interests dictates that care be taken to insure that if the directors' valuation of the assets should ever be challenged, their careful and thorough analysis of the matter and their good faith in the determination can be convincingly demonstrated."

The opinion also stated that "after such consideration" "a court would be very unlikely to overturn the Directors' determination". Counsel did not advise procuring an

opinion of fair value from any investment bankers, accountants or attorneys other than Boeing's own investment bankers, accountants and attorneys.

Agreed Exhibit 25, Page 8; Agreed Exhibit 31, Page 2, Olsen, Trial Transcript, Pages 241, 244-7.

54. At the meeting of the Board on April 4, 1960, Mr. Haynes stated that he had received the opinion of the company's accountants. That opinion is dated April 4, 1960 and was sent from Seattle and the copy in evidence is marked received by Boeing's attorneys in Seattle on April 28, 1960. One of the four methods described in that opinion letter for the valuation of Vertol for conversion rate purposes was the method recommended by Mr. Haynes. The opinion of the accountants was not an accounting opinion but an opinion as to fairness and equity.

Agreed Exhibit 30; Gorans, Trial Transcript, Pages 320-1.

55. The closing price of Boeing on the New York Stock Exchange on January 18, 1960 was 30.625. That sum multiplied by 448,954 shares given for Vertol assets is $13,749,216.

Agreed Statement, Paragraph 75; Pivar, Trial Transcript, Page 270.

56. The closing price of Boeing on the New York Stock Exchange on March 31, 1960 was 24. That sum multiplied by 448,954 shares given for Vertol assets is $10,774,896.

Agreed Statement, Paragraph 75; Pivar, Trial Transcript, Pages 270-271.

Plaintiffs' Proposed Findings of Fact

57. An adjustment in the conversion price was required whenever the conversion rate exceeded 2.044999 or equalled 2.0450.

Agreed Exhibit 28, Alternate (1); Agreed Exhibit 4, Page 34.

58. Sec. 4.05(b)(v) of the Indenture provides that stock options issued for a consideration of less than $50 a share shall be deemed to have been issued at the time of their grant and the consideration therefor for purposes of calculation of the conversion rate shall be deemed to be the amount paid for the options plus the amount to be received by the company in the event of exercise of the option. So computed, the consideration for the options granted to Vertol optionees was $644,514.

Agreed Exhibit 4, Pages 35-6; Agreed Exhibit 35, Page 3; Agreed Statement, Pars. 72, 81.

59. The closing price of November 13, 1959 was not appropriate for determining the value of the shares given the Vertol transaction because the parties had not on November 13, 1959 reached an agreement.

Pivar, Trial Transcript, Page 293.

60. The method used by Boeing to determine the fair value of the shares given for Vertol assets was not appropriate because the value ascribed was $33.968 a share and the closing price, which was the upper allowable limit, was $33.625 a share.

Pivar, Trial Transcript, Pages 270, 293-4.

Plaintiffs' Proposed Findings of Fact

61. The following calculations of the conversion rate are correct:

a) the number of shares to be used for the dividend in the calculation is 7,939,209, which multiplied by 100 in accordance with Sec. 4.05 equalled 793,920,900;

b) the basic or original consideration was $351,872,350 and the consideration for the Vertol option shares was $644,514;

c) if the stock dividends are valued at the closing price on the date of declaration divided by 1.04 in 1958 and 1.02 in 1959 the consideration for those dividends was $15,397,259 for 1958 and $4,390,748 for 1959;

d) if the stock dividends are valued at the full closing price on the date of declaration the consideration was $16,012,417 for 1958 and $4,479,979 for 1959;

e) the total of b) and c) above is $372,304,871;

f) the total of b) and d) above is $373,009,260;

g) adding various valuations of Vertol to the foregoing in the following table (A) is the correct calculation assuming b) and c) above and (B) is the correct calculation assuming b) and d) above:

Consideration for Vertol Assets Assuming	Consideration Other Than Vertol Asset Shares	Vertol Consideration	Total Consideration	Dividend	Conversion Rate	No. of Shares
(1) the closing price on 11/13/59 (33.625)	(A) 372,304,871	15,096,078	387,400,949	793,920,900	2.0493	2.05
	(B) 373,009,260	"	388,105,338	"	2.0456	2.05
(2) the closing price on 1/18/60 (30.625)	(A) 372,304,871	13,749,216	386,054,087	"	2.0565	2.06
	(B) 373,009,260	"	386,758,476	"	2.0528	2.05
(3) the closing price on 3/31/60 (24)	(A) 372,304,871	10,774,896	383,079,767	"	2.0725	2.07
	(B) 373,009,260	"	383,784,156	"	2.0691	2.07
(4) pooling of interests	(A) 372,304,871	12,435,138	384,740,009	"	2.0633	2.06
	(B) 373,009,260	"	385,444,398	"	2.0598	2.06
(5) at $15,250,000	(A) 372,304,871	15,250,000	387,554,871	"	2.0485	2.05
	(B) 373,009,260	"	388,259,260	"	* 2.04482	2.04

* This is 18/100,000 below the figure requiring adjustment

Agreed Exhibit 4, Pages 34 et seq., Agreed Exhibits 19, 20, 27, 28, 35, Pivar, Trial Transcript, Pages 269-71.

Plaintiffs' Proposed Findings of Fact

62. At the meeting of Boeing's Board of Directors held on April 4, 1960, Mr. Haynes recommended "that the Board determine the fair value of the assets and business acquired from Vertol on the basis of the market value of Boeing's stock on November 13, 1959 which would be $15,250,000 plus the amount to be received upon the exercise of the Vertol stock options". No other basis for the figure of $15,250,000 was suggested or mentioned at the Board meeting. The board adopted Mr. Haynes recommendation.

Agreed Exhibit 25, Page 8; Agreed Statement, Paragraph 61.

63. On April 4, 1960 or between April 4 and April 17, 1960 Boeing made calculations of the conversion rate predicated on a variety of bases for valuing the consideration. All of the calculations were on the assumption that the stock dividends were to be taken at the full closing prices on the dates of declaration. The following calculations were made:

a) any value which would produce a conversion rate above 2.044999 would require an adjustment of the number of shares to be issued;

Agreed Exhibit 28, Alternate (1)

b) taking the 1956 and 1959 stock dividends at the full closing prices on the dates of declaration, a consideration of less than $15,860,823 for Vertol assets and stock option shares would require an adjustment of the number of shares to be given on conversion of the debentures; and after deducting $644,514 for the options, a consideration of less than $15,216,309 for Vertol assets would require such an adjustment;

Agreed Exhibit 28, Alternate (1);

c) the following hypothetical valuations of Vertol were made based upon the Vertol balance sheet and stock prices:

(i) based on Vertol's estimated March 31, 1960 gross net worth of $13,605,000 it was found that the conversion rate would be 2.0570, requiring 2.06 shares;

(ii) based on Vertol's book value of November 30, 1959 of $13,889,425 it was found that the conversion rate would be 2.0492, requiring 2.05 shares;

(iii) based on Vertol's book value of November 30th adjusted which figure was taken at $12,978,756 the conversion rate would be 2.0541, requiring 2.05 shares;

(iv) based on Vertol's stock market price of January 31, 1960, there were 673,093 shares outstanding at $19 a share, making $12,788,767 for a conversion rate of 2.0551, requiring an adjustment to 2.06 shares.

Agreed Exhibits 28, 27.

d) the following hypothetical valuations of Vertol were made based on Boeing stock prices:

(i) if Boeing shares were taken at their / /60 price of 31 7/8 the asset shares would come to $14,303,237; the calculation was not carried out but would result in 2.0470, requiring an adjustment to 2.05 shares;

(ii) if Boeing shares were taken at their March 31, 1960 price of 24 and that price were multiplied by all of the shares, asset and option, the valuation would be $11,345,664 and the conversion rate 2.0691, requiring an adjustment to 2.07 shares;

(iii) If Boeing shares were taken at their November 13, 1959 price on both asset and option shares, the product would be $15,895,748 and the conversion rate 2.0448, requiring no adjustment;

(iv) If Boeing shares were taken at their March 30, 1960 price of 24 1/8, the value of both option and asset shares would be $11,404,756 and the conversion rate 2.0687, requiring an adjustment to 2.07 shares;

(v) If a round figure of $15,250,000 were taken for the asset shares and the option price for the option shares the total would be $15,894,514 and the conversion rate 2.0448, requiring no adjustment.

Agreed Exhibits 28, 27.

64. In 1959 and 1960 the Board of Directors of Boeing consisted of thirteen members; seven of these, Messrs. Allen, Beall, Egtvedt, Laudan, Schaefer, Wells and Yeasting were officers and employees of the corporation; they were the Chairman, the Vice-Chairman, the President and four Vice-Presidents of the company.

Trial Exhibit 4, Pages 4-5, Allen, Trial Transcript, Pages 59-60

65. Director D. A. Forward was a Senior Vice-President of the First National City Bank of New York from which Boeing was a substantial borrower and First National City was Boeing's stock transfer agent and the paying agent on its debentures.

Allen, Trial Transcript, Pages 63-6.

Plaintiffs' Proposed Findings of Fact

66. As of February 1, 1960 Mr. William M. Allen was President of Boeing, owned 12,561 Common shares and held stock options to purchase 10,500 Common shares.

Allen, Trial Transcript, Page 59.

67. As of February 1, 1960 the seven inside directors owned an aggregate of 53,977 shares. They held stock options awarded in December 1959 for 21,500 shares. Prior stock options awarded to them and held by them as of February 1, 1960 are not in evidence except for 3,000 shares awarded to Mr. Allen in 1958.

Trial Exhibit 4, Allen, Trial Transcript, Page 59.

68. As President of the corporation Mr. Allen made recommendations with respect to the salaries, benefits under the Incentive Compensation Plan and the stock options which Messrs. Beall, Landau, Schaefer, Wells and Yeasting, five of the other directors, received.

Allen, Trial Transcript, Pages 61-3.

69. In a memorandum dated June 2, 1960 entitled "Purchase of Boeing Debentures on the Open Market" from Paul S. Ford, a "financial man at headquarters" to Mr. Harold W. Haynes, at that time Comptroller and shortly thereafter Vice-President Finance, Mr. Ford stated that he had not considered purchase of the 5% debentures which Boeing had outstanding but only purchase of the 4-1/2% convertible debentures and he gave five reasons therefor one of which was:

> "4. Conversion feature not present (assuming our policy is additional equity investment is not desired)."

Plaintiffs' Proposed Findings of Fact

Allen, Trial Transcript, Page 76; Agreed Statement, Paragraph 6; Agreed Exhibit 32, Page 3.

70. In a memorandum dated June 28, 1961, entitled "The Boeing Company 4-1/2% Subordinated Convertible Debentures" Mr. Harold W. Haynes then Vice-President Finance wrote in part:

> "A risk that should be fully understood concerns stock price levels during the period from the date of the call notice to the redemption date. If during such period the market for Boeing moved up to a point fairly close to the $52.25 redemption price, conversions could be forced.
>
> "This would not only defeat our basic objective of avoiding dilution but would also result in our having to capitalize the unamortized debt expense which at May 31, 1961 amounted to approximately $425,000."

Agreed Statement, Paragraphs 6, 89, Agreed Exhibit 33, Page 8.

71. On July 20, 1961 in a memorandum entitled "Consideration of Call of the Convertible Debentures", Mr. J. E. Prince, Secretary of the company, wrote in part:

> "Mr. Forward was, in general, opposed to this course of action, but in part based on a misunderstanding, I thought, of what the real objective was. At least as far as I was concerned this was not a move aimed primarily at reducing our long-term debt, but rather to avoid prospective dilution of the equity position of the stockholders."

Agreed Statement, Paragraph 90; Agreed Exhibit 34.

72. Under date of March 10, 1961, in a memorandum entitled "Bond Indenture Restrictions", Mr. L. E. Filion addressed a memorandum to Messrs. Haynes, Nelsen and Melby. Under the heading of "The conversion rate calculation to date", Mr. Filion used the full closing price on the date of declaration of the 1958 stock dividend, the full closing price on the date of declaration of the 1959 stock dividend, the sum

of $13,250,000 for the Vertol acquisition and the sum of $644,514 for the Vertol stock options. So calculated he found that the conversion rate under the indenture was 2.0440, or .0002 of a share below the figure required for conversion.

Agreed Statement, Paragraph 91; Agreed Exhibit 35.

73. From and after March 10, 1961 no changes were made in the conversion calculation and there were no additional transactions which might have required an adjustment in the conversion rate.

Agreed Statement, Paragraph 91.

74. During January and February 1966, meetings took place within the Boeing management looking toward new financing.

Agreed Statement, Paragraph 95.

75. On January 31, 1966 a meeting of the Board of Directors of Boeing was held at which it was stated by Mr. Allen that an overall financing program was under consideration. No mention was made at this meeting of a call of the debentures.

Agreed Statement, Paragraph 96.

76. On February 11, 1966 Boeing's attorneys prepared the proxy and proxy material for the annual meeting of April 25, 1966. On February 21, 1966 the attorneys revised that material and mailed such revised material to the SEC for approval. There is no reference in such material to calling the debentures or to increasing the number of shares available under the Stock Option and Incentive Compensation Plans.

Agreed Statement, Paragraphs 101, 102.

Plaintiffs' Proposed Findings of Fact

77. No provision of the debentures or the indenture would have prevented any of the new financing contemplated in February 1966 and all of the financing could have been accomplished without redeeming the debentures.

Agreed Statement, Paragraph 100.

78. On February 24, 1966 a meeting was held at the Boeing office in Seattle and Mr. Haynes there reviewed the results of meetings he had attended during the prior week in New York City with Boeing's investment bankers. He outlined a proposal to obtain additional financing for Boeing through the public issue of either additional stock or securities convertible into stock and possible time schedules for accomplishing this additional financing. The call of the debentures as an integral part of the financing program and the increase in the number of shares permitted to be issued to officers and employees free of preemptive rights were discussed at this meeting. Loss to the debentureholders who might not receive actual notice of the call was not discussed.

Agreed Statement, Paragraphs 103, 104.

79. On February 24 or 25, 1966 Mr. Olsen discussed dates for the first publication of the notice of redemption, namely March 7, 1966, the conversion privilege expiring on March 23, 1966 and the redemption of the debentures on April 6, 1966 and this was discussed again on February 27, 1966 but there was no discussion of possible loss to debentureholders who did not receive actual notice of the call for redemption.

Agreed Statement, Paragraphs 106-7.

Plaintiffs' Proposed Findings of Fact

80. Pursuant to the conversations held on February 24, 1966 Mr. H. F. Olson, Boeing's counsel, prepared for the Board meeting of February 28, 1966 resolutions authorizing an increase in the authorized capital stock, the making of a rights offering of capital stock or securities convertible into capital stock, the issuance of a two for one stock split, the increase in the number of shares issuable to officers and employees free of preemptive rights and a call of the debentures.

Agreed Statement, Paragraph 104; Agreed Exhibit 58.

81. A meeting of the Boeing Board was held on February 28, 1966 at which time a resolution was adopted directing certain officers of the corporation to call the debentures for redemption.

Agreed Statement, Paragraph 110, Agreed Exhibit 58.

82. After the Boeing Board meeting of February 28, 1966 and after the decision to call the debentures, attorneys for Boeing further revised the notice of the annual stockholders' meeting to be held on April 25, 1966. On March 4, and March 5, 1966 the attorneys sent the revised material to the SEC and to the New York Stock Exchange with letters which stated that "It is planned that the Proxy Notice and Proxy Statements will be released to stockholders on or about March 24, 1966." On March 8, 1966, the attorneys sent letters to the SEC and to the New York Stock Exchange enclosing copies of a proposed letter to stockholders from Mr. Allen to go with the proxy material. None of these letters referred to the debentures. The proxy material at all times included the statement:

Plaintiffs' Proposed Findings of Fact

"None of the nominees owns beneficially any of the Company's 4-1/2% Convertible Subordinated Debentures due July 1, 1980."

At no time did any of the proxy material refer to the call of the debentures.

Agreed Statement Paragraphs 132, 134, Agreed Exhibits 44, 45 and 37, particularly at Page 4.

83. On March 8 and 18, 1966 Boeing published a paid advertisement, 5-1/2 inches high by 5 inches wide, the heading "The Boeing Company" being in 1/4 inch type, the words "Notice of Redemption" in 1/16 inch type, the words "Conversion Right" in 1/32 inch type and the body of the advertisement in still smaller type. The advertisement was published in all editions of the Wall Street Journal viz. the Eastern, Mid-Western, Pacific Coast and South-Western editions. The advertisement stated that the debentures were called for redemption on April 8, 1966 and that conversion rights would expire on March 29, 1966.

Agreed Statement, Paragraph 135, Agreed Exhibit 46.

84. The prospectus pursuant to which the debentures were originally offered and sold stated that the debentures might be redeemed

> "on not less than 30 days' nor more than 90 days' published notice".

The debenture stated that the debentures were "subject to redemption"

> "on not less than 30 nor more than 90 days prior notice, as provided in the Indenture".

The Indenture stated that if the Company desired to redeem

> "It shall publish prior to the date of redemption a notice of such redemption at least twice in an Authorized Newspaper, the first such publication to be not less than 30 days and not more than 90 days before the date fixed for redemption".

Agreed Exhibit 15 at Page 17; Agreed Exhibit 1 at Column 2; Agreed Exhibit 4 at Page 41.

85. An "Authorized Newspaper", in which publication of a notice of redemption was to be published was defined in the Indenture as, among other things, "one of general circulation in the Borough of Manhattan, the City of New York, New York.

Agreed Exhibit 4 at Page 10.

86. A copy of the Annual Report to Boeing's Stockholders for the year 1965, which included a letter from W. M. Allen, President of Boeing, to the Company's stockholders dated February 28, 1966 was mailed to Boeing's stockholders between March 24 and March 30, 1966. Neither the Annual Report nor the letter accompanying it mentions a call of the debentures. Both the letter and the Report refer to contemplated financing, including equity financing.

Agreed Statement, Paragraph 139, Agreed Exhibit 49, Fifth and twenty-first pages.

87. Pursuant to the Trust Indenture Act of 1939, Chapter 411, 53 Stat 1164, 15 U.S.C.A. Sec. 77 lll, the Indenture in Sec. 8.01 provided that Boeing would semi-annually, between March 15 and March 31 and again between September 15 and September 30 in each year and at such other times as the Trustee might request in writing, furnish to the Trustee a list of the names and addresses of the debentureholders as of such date or as of 15 days prior

thereto, insofar as such information was in the possession or control of the Company, or any of its paying agents other than the Trustee. Sec. 8.02 required the Trustee to retain such list and any information with respect thereto acquired by it as paying agent for two years, subject to its right to destroy old lists upon receipt of new lists.

Agreed Exhibit 4, at Pages 58-9; Agreed Statement, Paragraph 54.

88. At no time did Boeing furnish to Chase such a list or any supplementary information with respect to information not in Chase's possession.

Agreed Statement Paragraph 54; Agreed Exhibit 18.

89. It is the custom and practice of Morgan Guaranty Trust Company, Manufacturers Hanover Trust Company, Sterling National Bank, Emigrant Savings Bank, First National City Bank, Chase Manhattan Bank, Chemical Bank and Federal Reserve Bank, all in New York City, to require depositors of coupons detached from debentures to enclose the coupons in envelopes on which the depositor's name and address or account number or both and in some cases the name of the owner in addition to the name of the depositor are to be written. It is the custom and practice of the said commercial banks to remove the coupons from the depositors' envelopes, combine the coupons of a single issue into another envelope and transmit the coupons to the paying agent. It is the custom and practice of these banks to retain the depositors' envelopes for at least six months. There is no evidence that any bank in New York City does not follow the same procedures.

Plaintiffs' Requests to Admit and Defendants' Responses thereto Nos. 2 and 3.

Plaintiffs' Proposed Findings of Fact

90. The practice of the following non-New York City banks: Central Pennsylvania National Bank of Philadelphia, Continental Bank of Philadelphia and Fulton National Bank of Atlanta and of Emigrant Savings Bank in New York City is to require envelopes of the same character as required by the New York City commercial banks and to forward the depositors' envelopes directly to the paying agent or to a collecting agent and to retain on Recordak or other records copies of the information on the coupon envelopes. Such records are maintained for at least one year. There is no evidence of any other or different practice or procedure on the part of any non-New York City bank or any other savings bank.

Plaintiffs' Requests for Admissions and Defendants' Responses thereto No. 4.

91. Chase Manhattan Bank, as interest paying agent for the debentures, received on or about January 1, 1959 and semi-annually thereafter to and including January 1, 1966, those coupons which had been detached from the debentures and tendered for the collection of interest. In some instances Chase paid to collecting banks and in other instances directly to the debentureholders by mail or in person. Chase retained records of the names and addresses of such payees for such coupons for at least six months after payment.

Agreed Statement, Paragraph 53.

92. In 1966, neither Boeing nor Chase inquired of the collecting banks or any of them which had tendered for collection coupons bearing the payment date July 1, 1965 or January 1, 1966 as to the names and addresses of the debentureholders who had tendered such coupons for payment.

Plaintiffs' Proposed Findings of Fact
Agreed Statement, Paragraph 56.

93. Except for publications in newspapers neither Boeing nor Chase gave notice of redemption to the banks which had tendered the coupons for collection or payment.

Agreed Statement, Paragraph 55.

94. Neither Boeing nor Chase gave notice of redemption by letter to any holders of bearer debentures including those whom Chase paid directly in person or by mail.

Agreed Statement, Paragraph 55.

95. If the warrants which are still in the possession of First National City had been turned over to a printer, the cost of preparing, printing, addressing and mailing such a letter to the parties who had exercised the warrants in 1958 would not have been substantial.

Agreed Statement, Paragraph 55.

96. As of Friday March 25, 1966 $10,849,300 principal amount of the debentures remained unconverted. On Monday March 28, 1966 a third publication of the notice appeared in all editions of the Wall Street Journal and a single publication of the notice appeared in the New York Times. On March 29, 1966 $1,544,300 principal amount of the debentures remained unconverted.

Agreed Statement, Paragraphs 141, 142, 155.

97. There were three registered debentures totalling $400 as to which conversion rights were not exercised before the close of business on March,29, 1966.

Agreed Statement, Paragraph 156.

Plaintiffs' Proposed Findings of Fact

93. Except with respect to $115,400 principal amount of debentures which were mailed to Chase in envelopes postmarked on or before March 29, 1966 or as to which telegrams containing a valid reason for delay were received by Boeing or Chase on or before March 29, 1966, Boeing, from and after the close of business on March 29, 1966, refused all tenders of debentures for conversion and would have refused after that time to honor the conversion rights of the debentureholders who did not actually tender, had such tender been made.

Agreed Statement, Paragraphs 153, 154, 164.

99. Boeing has, at least since August 25, 1966, notified all holders who presented their debentures for redemption that Boeing deemed redemption to constitute a waiver of rights to convert.

Agreed Statement, Paragraph 165.

100. Prior to March 29, 1966, conversions of the debentures were made as follows:

Through 11/19/58		$48,000
11/20/58-12/31/58		3,100
1st quarter	1959	1,000
2nd "	"	500
2nd "	1961	7,400
3rd "	"	100
1st "	1962	6,000
3rd "	1964	8,200
4th "	"	17,100
1st "	1965	17,900
2nd "	"	3,500
Subtotal		$ 112,800

Carry Forward		$ 112,800
3rd quarter 1965	2,665,900	
4th " "	3,281,100	
Subtotal		5,947,000
January, 1966	1,721,700	
February, 1966	883,600	
Subtotal		2,605,300
March, 1966		20,380,700
Total		$29,045,000

Trial Exhibit 6.

101. The following table shows by quarters the debentures which at the beginning of each such quarter remained unredeemed and unconverted:

Quarter	Principal Amount
4/8/66	$1,505,700
7/1/66	1,151,700
10/1/66	904,800
1/1/67	802,500
4/1/67	734,800
7/1/67	707,300
10/1/67	679,300
1/1/68	655,400
4/1/68	628,900
7/1/68	619,900
10/1/68	601,700
1/1/69	593,300
4/1/69	565,300
7/1/69	545,000
10/1/69	493,700
1/1/70	477,500
4/1/70	460,000
7/1/70	442,500
12/31/70	388,200
4/1/71	380,600

Agreed Statement, Paragraph 157.

102. On March 29, 1966 the closing price of Boeing Capital stock on the New York Stock Exchange was $153,125 a share. The high price reached by Boeing capital stock within thirty days after March 29, 1966 was $182 on April 14, 1966.

Agreed Statement, Paragraph 148.

Plaintiffs' Proposed Findings of Fact

103. On or about May 17, 1966, Boeing effected a 2-for-1 stock split, giving one additional share of Capital Stock for each share of record as of May 3, 1966.

Agreed Statement, Paragraph 144.

104. On or about May 27, 1966, Boeing issued rights to its stockholders to purchase at $53 a share an additional share of Capital Stock for each 8 shares held. One right was issued for each share held. The rights sold at a high of $2 1/16 on May 30, 1966. Pursuant thereto Boeing sold 2,165,979 shares of its Capital Stock and received therefor a total consideration of $112,028,331 after the subtraction of underwriting commissions and expenses.

Agreed Statement, Paragraph 145.

105. On or about August 26, 1966 Boeing issued rights to its stockholders entitling them, for each 15 shares of Capital Stock held, to purchase at par, $100 worth of 5 1/2% Convertible Subordinated Debentures due 1991, which were convertible into Boeing Capital Stock at $63.50 a share. The highest price of these rights was $3/8ths on August 26, 1966.

Agreed Statement, Paragraph 149.

106. After March 29, 1966 Boeing has paid dividends on its Capital Stock as follows:

June 10, 1966	50¢ old stock
Sept.-Dec. 1966	60¢ new stock
1967	$1.20
1968	$1.20
1969	$1.20
1970	$ .40
1971	$ .10 (to date of stipulation)

after the date of the stipulation, Boeing paid dividends on its Capital Stock as follows:

1971	$.30
1972	$.40

Agreed Statement, Paragraph 151.

CONCLUSIONS OF LAW

1. Upon the occurrence of any event requiring adjustment of the conversion rate of the debentures, it was a condition precedent to Boeing's exercise of its option to call the debentures that Boeing should have fully performed the following:

a) calculated the new rate upon the occurrence of each event affecting the rate;

b) made a determination in good faith and with reasonable care of the fair value of any consideration received by it for other than cash;

c) immediately made an adjustment in the conversion rate whenever that was required by the indenture;

d) forthwith filed with the Trustee under the indenture a statement setting forth the adjusted rate and the basis therefor;

e) forthwith published a notice of the adjusted conversion rate;

f) reserved and kept available a sufficient number of shares to permit conversion of all outstanding debentures, and

g) included in the notice of redemption a correct statement of the conversion ratio.

Plaintiffs' Proposed Findings of Fact

5 Williston on Contracts (3rd ed., 1961) pp. 126, 151; 6 Williston, op. cit. p. 78; 3A Corbin on Contracts (1960) p. 16; Restatement of Contracts Sec. 269; Trustees of Columbia University v. Kalvin 250 NY 469 (1929); Kellam v. McKeesbrow 69 NY 264 (1877); Mueller v. Howard Aircraft Corp. 329 Ill. App. 570, 70 NE 2d 205 (1946); Foley Lumber Industries v. Buckeye Cellulose Corp. 286 F. 2d 697, 702 (CA 5, 1961) c.d. 366 US 966, 6L ed 2d 1257 (1961).

2. Boeing failed to perform the condition precedent and was in breach of its contract

a) when, on or about December 17, 1959, it reversed its correct calculation with respect to the stock dividend of November 3, 1958 and used as the consideration therefor the sum of $16,012,417 rather than the sum of $15,397,259;

b) when, on or about December 17, 1959 it reversed its method of calculation with respect to stock dividends and used as the consideration for the November 2, 1959 stock dividend the sum of $4,479,979 rather than the sum of $4,390,748;

c) when, on or about April 4, 1960, it placed an arbitrary, unreasonable and unfounded valuation of $15,250,000 on the assets of Vertol;

d) when, on and after April 4, 1960, it failed to adjust the conversion rate, file notice thereof with the Trustee, publish notice of the adjustment, reserve additional shares to meet conversions at the adjusted rate; and

e) when, on or about March 8 and March 18 1960, it published a notice of redemption which stated that the conversion ratio was 2 shares for each $100 principal amount of the debentures.

3. The notice to redeem the debentures was invalid and null and void for failure of Boeing to state in the notice the correct conversion ratio of 2.07 shares for each $100 principal amount.

4. The provision of Sec. 4.05(b)(iv), in the phrase "market value thereof" referred to the market value of the dividend shares; and a proper construction of that paragraph is that upon increasing the number of shares by way of a stock dividend, the value of each share shall be reduced in proportion to the increase in the number of shares since nothing was received by Boeing in exchange for the stock dividend.

5. At best, the words "market value thereof" in Sec. 4.05(b)(iv) were ambiguous and are to be read most favorably to the debentureholders.

6. The calculation by Boeing of the consideration received for the options granted to Vertol employees was correctly made at the option prices pursuant to Sec. 4.05(b)(v) of the Indenture.

7. The calculation by Boeing of the consideration received for the assets of Vertol was improperly made at $33.968 a share for the reasons that

a) no firm agreement existed on November 13, 1959 for the acquisition of Vertol, and

b) the closing price on the New York Stock Exchange on November 13, 1959 was $35.625 and not $33.968 which latter figure was used by Boeing.

Plaintiffs' Proposed Findings of Fact

8. The Board of Directors did not act fairly or reasonably in determining that the fair value of the consideration received in the Vertol assets and business was $5,250,000 as there was no legitimate basis for that figure.

9. The failure of Boeing to adjust the conversion rate on and after March 31, 1960 constituted a willful breach of contract by Boeing and Boeing's right to exercise its option ceased to exist.

Jacob & Youngs v. Kent 230 NY 239 (1921); [illegible] Clothing, Inc. v. W.B.O. Broadcasting Corp. 165 Misc. 888, 1 NYS 2d 42 (1937) Aff'd 253 AD 889, 3 NYS 2d 206 (1st Dept., 1938).

10. Failure to adjust the conversion rate on April 4, 1960 constituted a substantial breach in money and in character and has continued as such to date.

11. Boeing's refusal to convert any debentures on and after March 30, 1966 constituted a breach of contract and its stated refusal to honor the conversion rights of any holders who might tender thereafter constituted an anticipatory breach of contract by Boeing.

12. Boeing's failures to perform the terms and conditions of its contract were not excused by the debentureholders' ignorance thereof.

13. The defects in the notice of redemption were not excused by the debentureholders' ignorance of the publication of the notice.

Restatement of Contracts, Sec. 278.

14. The contract between Boeing and the debentureholders was a contract of adhesion.

Patterson, 64 Columbia L.R. 833, 856 (1964); 54 Cornell L.R. 271, 273 (1969).

Plaintiffs' Proposed Findings of Fact

15. The debentureholders were entitled to expect that they would receive such notice of redemption as would be reasonable under the circumstances.

4 Williston on Contracts (3rd ed., 1961) 1972 Supplement p. 31, Note 11.; Lachs v. Fidelity & Cas. Co. 306 NY 357 (1954); Steven v. Fidelity & Cas. Co. 58 Cal. 2d 862, 3778 2d 284, 293 (1962); 54 Cornell L.R. 271, 273 (1969).

16. The debentureholders were entitled to expect that they would receive notice of redemption by letter if the giving of such notice was practical.

17. Boeing was in breach of contract in failing to give notice in one or more of the following ways:

a) by letter to those who transmitted for collection coupons due and payable on July 1, 1965 or on January 1, 1966 or both;

b) by letter to those who, in 1958, exercised the rights to purchase debentures by delivering warrants on which their names and addresses were given;

c) by letter to all of those who were Boeing stockholders of record in and about March 1966;

d) by publication prior to March 28, 1966 of a notice in the New York Times and in other newspapers of general circulation.

18. The Wall Street Journal, on March 8 and 18, 1966 was not a newspaper of general circulation in the Borough of Manhattan, City of New York, within the meaning of Sec. 5.02 of the Indenture.

19. The provisions of the prospectus, the debenture and the Indenture with respect to "prior notice" by publication are in conflict and are to be construed most favorably to the debentureholders; a fair and reasonable interpretation is that both of the required publications were to be made not less than 30 nor more than 90 days prior to the redemption date; and, consequently, the published notices were not timely.

20. Each debentureholder who held his debenture on March 30, 1966 was entitled to receive the sum of $376.74 plus interest from March 30, 1966 for each $100 of principal amount of the debentures (i.e., 2.07 shares multiplied by $182 for each $100 principal amount held by him).

21. Debentureholders who tendered their debentures for redemption on and after March 30, 1966 and who received the redemption price did not waive their rights to full recovery of what was due them on March 30, 1966 as a) there was no consideration to them for such surrender b) there was a repudiation and anticipatory breach by Boeing which created a right in the holders, the surrender of which was inequitably demanded and c) the long delay in the trial of the issues made it inequitable for the holders to be required to await the decision here as an alternative to surrender of their rights.

Bassett v. Bassett 31 AD 2d 778, 297 NYS 2d 292 (4th Dept., 1969); Mance v. Hossington 205 NY 33, 36 (1912).

Plaintiffs' Proposed Findings of Fact

22. Each debentureholder who tendered his debentures for redemption after March 30, 1966 is entitled to receive the same sum as if he had not so tendered, less, however, the sum actually received by him in redemption.

23. Each debentureholder who held his debentures on March 30, 1966 is entitled to receive for the rights issued on May 27, 1966, the sum of $2-1/16 for each share he would have held after the stock split of May 17, 1966 and $3/8 for each share he would have held on August 26, 1966 and the dividends since March 29, 1966 which he would have received had he converted on March 30, 1966.

24. Debentureholders who converted on and after February 28, 1966 when the conversion rate for the call was fixed and the call was announced are members of the class and entitled to recover to the extent of .07 shares for each $100 principal amount of debentures held.

25. A hearing shall be held on further order of the Court to determine all damages to which debentureholders are entitled by virtue of rights and dividends which they should have received.

Dated: 1973.

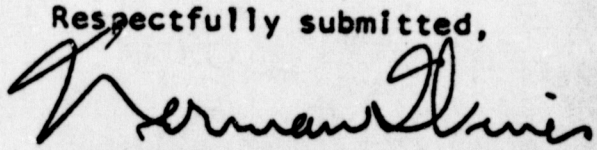
U.S.D.J.

WHEREFORE, plaintiffs pray the Court to make findings of fact and draw conclusions of law consistent

Plaintiffs' Proposed Findings of Fact

therewith, as shown by the evidence and record before the Court.

Respectfully submitted,



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OPINION OF RYAN, D.J. DATED NOVEMBER 29, 1973

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -

WILLIAM R. VAN GEMERT, et al.,

Plaintiffs,

-v-

OPINION

THE BOEING COMPANY (formerly BOEING AIRPLANE COMPANY), et al.,

66 Civ. 1820

Defendants.

- -

NATHAN, MANNHEIMER, ASCHE, WINER & FRIEDMAN, ESQS., and IRVING STEINMAN, ESQ., New York, New York, Attorneys for Committee of Plaintiffs (NORMAN WINER, IRVING STEINMAN, and SAMUEL WEINSTEIN, Esqs., of Counsel).

KASS, GOODKIND, WECHSLER & GERSTEIN, ESQS., New York, New York, Attorneys for Plaintiffs (STUART D. WECHSLER and MICHAEL P. FUCHS, Esqs., for Counsel).

DAVIS, POLK & WARDWELL, ESQS., New York, New York, Attorneys for Defendants (S. HAZARD GILLESPIE and WILLIAM H. LEVIT, JR., Esqs., of Counsel).

RYAN, J.:

This is a consolidated class action brought by former and present holders of unregistered convertible debentures issued by BOEING COMPANY to recover for losses arising out of theCompany's refusal to convert the debentures after March 29, 1966, the expiration date set by it for the exercise of conversion rights.

Originally, separate actions were filed by various plaintiffs against defendant and its directors in California, Pennsylvania, Florida and Washington, D.C. By order of October 4, 1966, these ten actions were ordered maintained as class actions; a consolidated amended complaint was filed and a consolidated trial had. The order declared the action brought "on behalf of a class comprised of plaintiffs and all other present and former holders of The Boeing Company (formerly Boeing Airplane Company) 4-1/2% convertible subordinated debentures due July 1, 1980 and calls for redemption on April 8, 1966, whose debentures were not surrendered for conversion on or before March 29, 1966." The class represents but 7.2% of all the holders, aggregating $1,544,300. out of a total of $20,085,700. who did convert.

Trial was had before the Court on an agreed statement of facts, which was subject only to objections as to relevancy and materiality and to further testimony by witnesses.

The complaint contains thirteen counts and charges violations of the Securities Act of 1933, the Securities Exchange Act of 1934, the

Trust Indenture Act of 1933 and common law breach of contract.

The principal claims raised by the complaint are:

1. That BOEING forfeited its right to terminate plaintiffs' option to convert the debentures because it breached its contract with plaintiffs in that it failed (a) to change and publish the conversion rate as required by the Indenture; (b) to file with the Trustee under the Indenture a statement setting forth the new rate; and (c) to set aside sufficient shares to satisfy the conversion at the new rate. These requirements, plaintiffs allege, were conditions precedent to exercising the call. Plaintiffs contend that the conversion rate of 2 shares for one debenture should have been adjusted to 2.07 shares for one debenture.

2. That the nature of the call given by defendants was insufficient for the ordinary person, in view of the fact that the Indenture was a contract of "adhesion", and that this is the test to be applied, and not whether the notice satisfied the language of the Indenture.

3. That the defendants failed to comply with the Rules of the New York Stock Exchange respecting publicity on calls, which rules were tantamount to a contract for the benefit of plaintiffs as investors and third party beneficiaries.

The damages sought are $4,380,937.82 with interest at 7%, which, it is alleged, represent the value of the debentures held by plaintiffs as well as benefits accrued and lost by way of rights to purchase more stock and debentures, a two-for-one stock split and dividends.

Plaintiffs have attempted to enlarge the class by seeking damages for those bondholders who did convert on time, on the theory that they suffered losses by the alleged failure of defendants to adjust the conversion rate. The Court refuses to consider this claim as the order clearly defines the class, and, in fact, plaintiffs' complaint states that suit is brought on behalf of "all holders of debentures who did not convert on or before

March 29, 1966."

Plaintiffs would also include in the class those who redeemed after March 29, 1966, on the theory that, under the adjusted rate of conversion, they were entitled to more shares than they received. It is unnecessary to pass upon the merits of this claim in view of our final determinati that the class cannot prevail.

I find the following facts to be established by the evidence.

On June 23, 1958, THE BOEING COMPANY authorized the issuance and sale of its 4-1/2% Convertible Subordinated Debentures, due July 1, 1980, in the aggregate principal amount of $30,597,600. The debentures were issued pursuant to a subscription offer to shareholders of record at the close of business on July 15, 1958. By the subscription offer, each shareholder was given the right to subscribe to the debenture offer in the ratio of $100. principal amount of debenture for each 23 shares of capital stock held on the record date. City Bank-Farmers Trust Company, the subscription agent, mailed 7,037,448 warrants and prospectuses to all stockholders of record. This list of stockholders was kept by the Agent for six years for the purpose of paying dividends and then destroyed in 1964. The warrants, which were exercised by tender to the Agent, were retained until 1966 and are now in the possession of the successor Agent. Each warrant bears the name and address of the stockholder, the number of rights exercised and, if transferred, the name and address of the transferee. BOEING never had a copy of the stockholder list or of the cancelled checks.

During the period of the offer, a total of $29,578,000. in full paymat of debenture subscriptions was received by City Bank. The total amount of unsubscribed debentures purchased by the underwriters was $1,019,000.

By resolution dated July 14, 1958, the Board of Directors of BOEING set the initial conversion rate for the debentures at two shares of capital stock for each $100 principal amount of debentures, equivalent to a conversion price of $50 per share of capital stock. BOEING reserved 611,952 shares for issuance and in consideration of the surrender for conversion of debentures at this initial conversion rate. The debentures were issued under an Indenture dated July 1, 1958 between BOEING and The Chase Manhattan Bank, Trustee, and under a registration statement filed with the Securities Exchange Commission. The debentures were listed in the New York Stock Exchange under a Listing Agreement, which included a copy of the Indenture.

The debentures were unsecured obligations of BOEING maturing on July 1, 1980 and bearing interest from July 29, 1958 at 4-1/2% payable semi-annually on January 1 and July 1. They were issued in both coupon and fully registered form, and provision was made that the coupon debentures, at the option of the holder, could be registered as to principal only. This privilege to register was stated twice on the face of the debenture, as well as in several places in the Indenture. Unregistered coupon debentures were transferable by delivery; fully registered debentures and registered coupon debentures were transferable by presentation to the Trustee with appropriate endorsement or written instrument of transfer.

The coupons of the coupon debentures, which had been registered as to principal, continued to be payable to bearer and transferable by delivery.

The debentures stated (second paragraph) that they were issued under the Indenture of July 1, 1958, "to which Indenture....reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures and coupons."

The debentures also called attention to the expiration of the conversion rights ten days prior to the redemption date and specifically incorporated by reference the Indenture provisions relating to the notice of redemption, which read:

> "The holder of this Debenture is entitled, at his option, at any time on or before July 1, 1980, or in case this Debenture shall be called for redemption prior to such date, then to and including but not after the tenth day prior to the redemption date, to convert this Debenture...at the principal amount hereof...into shares of Capital Stock of the Company, at the conversion rate of two shares of Capital Stock for each $100 principal amount of Debentures.....The Debentures are subject to redemption...at any time or times, at the option of the Company, on not less than 30 nor more than 90 days' prior notice, as provided in the Indenture.....".

This was followed by a table entitled "If Redeemed During the 12 Months' Period ENding July 1" (large black letters) setting forth clearly the redemption prices at various dates including the instant date.

The Indenture is a 113 printed page book, which sets forth in extenso the rights and duties of the Company, the Trustee and the Debenture holders, and defines all the terms used.

Thus, Article One, Sec. 1.01, defines Conversionkate as:

> " the number of shares of Capital Stock into which each $100 principal amount of Debentures may be converted as hereinafter in Article Four provided."

Article Four, Sec. 4.04, states that the Conversion Rate at which Capital Stock shall be issuable upon conversion of debentures shall be "2 shares of Capital Stock for each $100. principal amount of debentures the conversion rate being subject to adjustment."

Section 4.05 provides a formula for adjusting the conversion rate in the event certain types of action might be taken by BOEING, including, among others not relevant here, declaration of stock dividends, limited stock dividends and acquisitions and issuance of shares for a considration o her than cash. It provides that, in computing the adjustment if the Compan y shall issue any capital stock after July 1, 1 958, there should be excluded "up to 350,000 shares" (after having been adjusted on the basis of stock dividends) "which may be issued after July 1, 1958 pursuant to the Company's Stock Option Plan or Incentive Compensation Plan for Officers and Employees", and the conversion rate shall be adjusted as follows:

> "$100 shall be multiplied by the number of Capital Stock outstanding after any such issuance....and the resulting product shall be divided by the aggregate consideration, determined in accordance with subparagraph (b) of this Section 4.05, received by the Company for its shares of Capital Stock then outstanding ..... The resulting quotient adjusted to the nearest one-hundredth, shall thereafter be the conversion rate if it is greater than the basic conversion rate. If the resulting quotient....is less than the basic conversion rate...the conversion rate shall be the basic conversion rate."

Section 4.05(b) also provides that the aggregate consideration referred to above shall be $351,072,350 plus any additional consideration received after July 1, 1958 determiend as follows:

> "(iv) In the case of shares issued as a Limited Stock Dividend the consideration shall be deemed to be the number of shares so issued multiplied by the market value thereof (as defined in Sec. 1.01) on the date of the declaration thereof."

Section 1.01 defines market value of a Limited Stock Dividend as the last reported sale price of the Capital Stock on the New York Stock Exchange on the date of the declaration of each stock dividend.

Section 4.05(b)(ii) further provides that, in the case of the issuance of shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors.

Section 4.05(f), in addition, provides that, whenever the amount by which the conversion rate would be changed is less than one-twentieth of a share of capital stock, the Company need not make such adjustment; but, whenever that amount would be changed to more than one-twentieth of a share of capital stock, the Company shall be required to make at that time only that part of such adjustment which will result in changing the conversion rate by the largest possible multiple of one-twentieth of a share of capital stock. Simply put, this means that, if shares of stock are issued for less than $50 a share, an adjustment in the convers ion rate may be required and that the formula provides for multiplying the number of shares outstanding by $100 and dividing such figure by the total consideration received

for all shares; if the quotient obtained is more than 2.05, an adjustment in the conversion rate is required.

The Indenture further provided that:

> "Whenever the Company shall make any adjustment in the conversion rate as herein provided, the Company shall forthwith (a) file with the Trustee and any conversion agent a statement, signed by the president or any vice president of the Company and by its treasurer or an assistant treasurer, showing in detail the facts requiring such adjustment and the conversion rate that will be effective after such adjustment and (b) publish at least once in an Authorized Newspaper a notice stating that the conversion price has been adjusted and setting forth the adjusted converstion price."

Article Five is of special importance for it deals with redemption of the debentures and sets forth the requirements for notice, as follows:

> "Section 5.02. Notice of Redemption; Partial Redemptions. In case the Company shall desire to exercise the right to redeem all or any part of the Debentures, as the case may be, pursuant to Section 5.01, it shall publish prior to the date fixed for redemption a notice of such redemption at least twice in an Authorized Newspaper, the first such publication to be not less than 30 days and not more than 90 days before the date fixed for redemption. Such publication shall be in successive weeks but on any day of the week. It shall not be necessary for more than one such publication to be made in the same newspaper. A copy of such notice shall be mailed by the Company at least 30 days prior to such redemption date to the holders of the registered Debentures without coupons and the holders of the coupon Debentures registered as to the principal so to be redeemed at their last addresses as they shall appear upon the registry books, but failure to give or receive such notice by mail, or any defect therein, shall not affect the validity of any proceedings for the redemption of Debentures.
>
> "An 'Authorized Newspaper' is defined in Section 1.01 of the Indenture as follows:

"Authrized Newspaper
The term 'Authorized Newspaper' shall mean a newspaper printed in the English language and customarily published at least once a day for at least five days in each calendar week and of general circulation in the Borough of Manhattan, The City of New York, New York, whether or not such newspaper is published on Saturdays, Sundays and legal holidays."

Pursuant to Section 7.03 of the Indenture, the Chase Manhattan Bank, as interest paying agent for the debentures, received generally semi-annually and otherwise from time to time coupons which had been detached from the debentures and tendered for the collection of interest. A vast majority of the coupons tendered to the Chase Manhattan Bank came from collecting banks, and Chase Manhattan did not know the identity of the holders of the debentures on whose behalf the coupon tenders were made.

Sections 8.01 and 8.02 of the Indenture require that BOEING give to Chase Manhattan the names and addresses of additional debenture holders who become known to BOEING and its paying agent other than the Trustee. From 1959 to 1966, no such information came to the knowledge of BOEING and it gave none to the Trustee.

I find that during January and February, 1966, BOEING's Directors and Investment Banking Advisors discussed the possibility of broadening BOEING's stock base in order to meet its requirements for additional capital needed for plans of building up its jet and supersonic jet transport programs. Of several alternatives discussed, it was determined that calling the debentures for redemption was the best way of raising additional capital while affording the debenture holders an opportunity to participate in a

rights offering, and thus broaden BOEING's stock base. On February 24, 196 at a meeting with Haynes, BOEING's vice president for finance, Thornton, its treasurer, and its Counsel, a possible time schedule for giving notice was discussed, with first publication of the notice of redemption on March 7 or 8, 1966, expiration of the right of conversion on March 29, 1966, and redemption on April 6, 1966. At this meeting, it was decided that Olsen, a member of the firm of counsel for BOEING, should prepare drafts of resolutions for the Board meeting scheduled for February 28,1966 to authorize an increase in the authorized capital stock, the making of a rights offering of capital stock or securities convertible into capital stock, the issuance of a two-for-one stock split and a call of the debentures for redemption on February 24, or 25, 1966.

Olsen, BOEING's investment bankers and the latter's counsel, discussed as a tentative time schedule that the first publication of the notice of redemption would be on March 7, 1966; that the conversion privilege would expire on March 28,1966; and that the redemption of the debentures would be on April 6, 1966. On February 27, 1966, Allen, Haynes and Olsen reviewed the draft resolutions which Olsen had prepared for the February 28, 1966 meeting of the Board and the tentative time schedule and a draft press release with respect to several items, including the call for debentures.

On February 28, 1966, Thornton called a Corporate Trust Officer at Chase Manhattan Bank and told him that the Board probably would authorize a call of the debentures for redemption at its meeting that day and advised

him to be prepared for redemption of the debentures. A "Tentative Timetable" dated February 28, 1966, prepared by counsel Olsen, was distributed to and reviewed by the Directors who adopted the following resolution:

> "Resolved, that the President, Vice President-Finance, or Treasurer of the Company, or any one of such officers, is hereby authorized to take all such action as they or any one of them deems appropriate or necessary to call for redemption on a date to be selected by them or any one of them, all of the 4 1/2% Convertible Subordinated Debentures of the Company then outstanding under the Indenture dated July 1, 1958, between Boeing Airplane Company and The Chase Manhattan Bank, Trustee."

On February 28, 1966, the Boeing News Bureau issued News Release S-8726 headlined "Boeing Reports 1965 Sales, Net Earnings" and marked "For Immediate Use" which, in part, stated that, at the Board of Directors' meeting held that day, "the Company's management was also authorized to call for redemption at a future date all of the Company's outstanding 4-1/2% convertible subordinated debentures." The release was issued as early as possible, after Board action, to the financial editors of the New York Times, the New York Herald-Tribune, the Wall StreetJournal and other major national newspapers, to the Associated Press and the United Press International, to Dow Jones and Company, Inc., to Seattle area newspapers, to aerospace publications and others. On March 1, 1966, BOEING set a teletype to the New York Stock Exchange, advising it that the Board had authorized its officers to call the debentures for redemption, but that the redemption date had not been established, and it confirmed this advice in a letter to the Exchange dated March 2, 1966. On March 1, 1966, Raftery of the Exchange was

advised by Olsen that no dates had yet been set for the call; that the resolution of the Board on February 28 had fixed no date but merely authori: BOEING to set the dates; that meetings were scheduled to commence on March 2, 1966 with BOEING's investment bankers and their counsel to develop plans for upcoing financing; and that he would be advised of the dates for the call as soon as they were fixed. However, prior to the meeting of February 28, 1966, Olsen had called Shriver of the Exchange and reviewed with him on a preliminary and confidential basis the tentative time table for the call and obtained his approval.

On March 3, 1966, Chase Manhattan sent BOEING for review and approval a draft of the contemplated notice which had been prepared by counsel for Chase Manhattan in accordance with its practice. Between March 2, and 7, 1966, the tentative dates discussed for the call were: first publication on March 8; expiration of conversion March 29; and redemption April 8, 1966. By March 7, 1966, the firm dates were fixed as March 8 and 18 to be publish in all editions of the Wall Street Jornal. Olsen then called Raftery of the Exchange, informed him of the dates, and requested him to put them on the Dow Jones Tape and the ticker, which Raftery agreed to do. This Olsen, of counsel for BOEING, considered compliance with the publicity requirement of the Exchange (Section A-10 of the New York Stock Exchange Manual).

I find that on March 8 and 18, 1966, notice of redemption of the debentures, including a statement that the "right of conversion will terminate at the close of business on March 29, 1966", was published by BOEING

in all editions of the Wall Street Journal, viz., the Eastern, Mid-Western, Pacific Coast and Southwestern editions, in the form set forth herewith:

The Boeing Company

(formerly Boeing Airplane Company)

Notice of Redemption of

4½% Convertible Subordinated Debentures, due July 1, 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated July 1, 1958, between Boeing Airplane Company (now The Boeing Company) (hereinafter called the Company) and The Chase Manhattan Bank (now The Chase Manhattan Bank [National Association]), Trustee, the Company has exercised its option to and will redeem, on April 8, 1966, all of its outstanding 4½% Convertible Subordinated Debentures, due July 1, 1980 (hereinafter called the Debentures), at the redemption price of 103.25% of the principal amount thereof, together with accrued interest to said redemption date.

On and after April 8, 1966, interest on the Debentures shall cease to accrue and the coupons for interest maturing after said date shall be void.

Payment of the redemption price, with accrued interest to the date fixed for redemption, will be made at the principal office of the Trustee upon presentation and surrender for redemption, on or after April 8, 1966, of the Debentures with all coupons appertaining thereto, if any, maturing after the date fixed for redemption. Coupons maturing prior to the redemption date should be detached and surrendered for payment in the usual manner. The Debentures should be presented at The Chase Manhattan Bank N.A. (Corporate Agency Department), 80 Pine Street, New York, New York 10015.

CONVERSION RIGHT

Subject to the provisions of the Indenture, the holder of a Debenture is entitled at his option to convert such Debenture, or any portion thereof which is $100 principal amount or a multiple thereof, into shares of Capital Stock of the Company. This right of conversion will terminate at the close of business on March 29, 1966. The conversion rate now in effect is 2 shares of Capital Stock for each $100 principal amount of Debentures. As provided in the Indenture, no adjustment shall be made for interest accrued on any Debenture surrendered for conversion or for dividends on shares of Capital Stock issuable upon conversion of any Debenture.

From January 1, 1965 through March 3, 1966, the sales price for the Common Stock of the Company on the New York Stock Exchange ranged from a high of $175.25 to a low of $60.375 per share. On March 3, 1966, the last sale of such Common Stock on such Stock Exchange was at $158.25 per share. So long as the market price of Common Stock is $52.24 or more per share, a Debentureholder would receive, upon conversion of Debentures, Common Stock having a greater market value than the cash which such holder would receive if he surrendered Debentures for redemption.

The Boeing Company
By DEAN D. THORNTON, Treasurer

Dated: March 8, 1966

Notices of the dates of the call and the expiration of the conversion privilege on March 29, 1966 were carried on the following services: NYSE ticker on March 8, 23, 24, 25, 26 and 28, 1966; NYSE Bulletin on March 11, 18 and 25, 1966; The Commercial and Financial Chronicle on March 14, 21 and 28,1966; Standard & Poor's Bond Outlook on March 19, 1966; Standard & Poor's Called Bond Record on March 9, 11, 18 and 25, 1966; Moody's Industrial's on March 11, 1966. Articles about these dates were carried in the Seattle Post Intelligencer on March 25, 1966; the Seattle Times on March 27, 1966; and the Financial World on March 23, 1966. The notice also was carried in the Associated Press Bond Tables published on one or more days in at least 30 newspapers published in major cities across the United States.

On March 25, 1966, BOEING sat the NYSE certified copies of the Board Resolution and Chase Manhattan advised the Exchange that the necessary funds for redemption had been deposited with it. A further press release was sent to representatives of UPI and AP in Seattle and New York, and on March 28, 1966, in all editions of the Wall Street Journal and in the New York Times there appeared the following third notice:

> "Final date for conversion of The Boeing Company's 4 1/2% convertible subordinated debentures to Boeing common stock is Tuesday, March 29..... Closing price of the stock as of March 25 was $154.5 representing a substantial advantage to holders of the bonds if the conversion is elected."

BOEING sought legal opinion from its counsel and from the attorneys for its investment bankers and was advised that the Wall Street Journal was a newspaper of general circulation in New York City and that the published notice of call met the requirements of the Indenture.

Notice of the redemption was given all registered debenture holder and holders of coupon debentures registered as to principal by letter enclosing the notice published on March 8 and 18, 1966 (Section 5.02 Indentur Neither BOEING nor Chase Manhattan gave notice of redemption by letter to a holders of unregistered bearer debentures.

It is of record that of $21,514,700 face amount of debentures out standing on March 8, 1966, $19,970,300 or 92.8% were converted during the period following publication of the first notice of redemption on March 8, 1966 to and including March 29, 1966, and that more than $9,000,000 of these were converted following the third publication of March 28, 1966. An additional $115,400 were converted after midnight of March 29, 1966 upon request made to BOEING prior to that time and on a showing that there was a valid excuse for not meeting the deadline strictly. Of all the registered debentures totalling $2,145,200, only three aggregating $400 were not converted; and $1,544,300 coupon debentures (of the class) were not converted.

It appears that discussion was had by BOEING about extending the deadline for exercising the rights of conversion. BOEING was advised by counsel that to do so would effect a change in the terms of the Indenture, and it had no legal right to this.

The Annual Report to stockholders of record for the year 1965, including a letter of transmittal from Allen, President of BOEING, dated February 28, 1966, was sent out between March 24 and March 30, 1966. The letter made no mention of the call, nor did a proxy statement, dated February 28, 1966, which was mailed between March 31 and April 4, 1966 to all stock holders of record as of March 10, 1966.

The 8-K Form filed with the Securities Exchange Commission in February, 1966 made no mention of the proposed call, but it was reported in the 8-K Form of April, 1966.

Against these factual findings, I first consider:

THE NOTICE OF CALL OF THE DEBENTURES

In support of their claim that the notice of call was insufficient to bar the plaintiff-debenture holders from now converting, plaintiffs urge that the defendant had the duty to give notice which met the "reasonable expectations" of the debenture holders, because the Indenture was "a contract of adhesion".

"A contract of adhesion", a term used in reference to insurance contracts, is a contract drawn by one of the contracting parties in which the other party has no choice but to accept or reject (Williston on Contracts 3rd Ed. 1961, 1971 Supp.; Shay v. Agricultural Committee, 299 F. 2d 516 (C.A. 9, 1962); and where the Court will ascertain that meaning of the contract which the weaker party would reasonably expect (Gray v. Zurich Ins. Co., 54 Cal.2d 104, 419 P 2d 168).

By this, plaintiffs urge that defendant BOEING should have done one or more of the following: (a) ascertained the names and addresses of the unregistered bondholders who presented their coupons for the collection of interest annually to Chase Manhattan; (b) traced the warrants which the stock holders had exercised in 1958 to purchase the debentures; (c) sent a letter to all stockholdrs of record and (d) placed an advertisement in the New York Times.

The answer of the defendant, and one which I hold is conclusive, is that defendant was bound to give only such notice as was spelled out in the Indenture and in the Debenture, which incorporated the Indenture. This called attention to the Debenture for a definition of the rights of the respective parties and, in addition, repeated the terms of notice of call.

There is no claim here that the debenture or the Indenture provided such minimal notice as to constitute "ritualistic notice in small print on the back pages of a newspaper". (Eisen v. Carlisle & Jacquelin, 391 F. 2d 555, 569 (Ca.A. 2, 1968).) The notice required was not only adequate, but the defendants did more than was required when they published a third time on March 20, 1966 in all editions of the Wall Street Journal and in the New York Times, with the "dramatic and widespread rippling effect" which brought in over $9,000,000 face amount of debentures for redemption. In fact, the very minimal aggregate number of non-converting debenture holders, which constitute the class represented, speaks eloquently for the adequacy of notice given by defendants.

The suggestions made by plaintiffs as to the further notice which might have been given are not only not required by the terms of the Indentu but they would have been impracticable, if not impossible. The warrants, as well as the bearer debentures, were traded repeatedly since 1958, so that it would have been impossible to know in 1966 the names and addresses of the debenture holders. It was stipulated that, of the debentures issued totalling $30,597,600 during these years, $68,694,000 were traded; and